

*In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority (as hereinafter defined), assuming continuing compliance by the Authority and the Public University (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the 2024 Obligations (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In addition, interest on the 2024 Obligations may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the 2024 Obligations and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.*



**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**(Gloucester County, New Jersey)**

**\$167,325,000**  
**LOAN REVENUE BONDS (ROWAN UNIVERSITY PROJECTS), SERIES 2024**

**\$25,605,000**

**LOAN REVENUE NOTES (ROWAN UNIVERSITY STUDENT CENTER PROJECT), SERIES 2024**

**Dated: Date of Delivery**

**Due: 2024 Bonds - July 1, as shown on the inside front cover  
2024 Notes - February 27, 2025**

The \$167,325,000 aggregate principal amount of Loan Revenue Bonds (Rowan University Projects), Series 2024, dated the date of delivery ("2024 Bonds") are being issued by The Gloucester County Improvement Authority ("Authority"), a public body corporate and politic of the State of New Jersey ("State"), issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a Bond Resolution adopted by the Authority on October 19, 2023, as amended and supplemented by a First Supplemental Bond Resolution adopted by the Authority on January 18, 2024 (as amended and supplemented, the "Bond Resolution"); and (iii) a Trust Indenture, dated as of February 1, 2024 ("Bond Indenture"), by and between the Authority and TD Bank, National Association, as trustee ("Trustee"). The \$25,605,000 principal amount of Loan Revenue Notes (Rowan University Student Center Project), Series 2024, dated the date of delivery ("2024 Notes" and, together with the 2024 Bonds, the "2024 Obligations") are being issued by the Authority pursuant to: (i) the Act; (ii) a Note Resolution adopted by the Authority on December 21, 2023 ("Note Resolution"); and (iii) a Trust Indenture, dated as of April 1, 2021, as amended and supplemented by a First Supplemental Indenture, dated as of February 1, 2024 (as amended and supplemented to date, the "Note Indenture" and, together with the Bond Indenture, the "Indentures"), by and between the Authority and the Trustee.

The 2024 Obligations are each being issued by the Authority on behalf of Rowan University ("Public University"), a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, N.J.S.A. 18A:64M-1, et seq. The proceeds of the 2024 Bonds will be loaned to the Public University by the Authority pursuant to a Loan and Security Agreement, dated as of February 1, 2024 ("Bond Loan Agreement"), between the Authority and the Public University, and will thereafter be used by the Public University to finance: (i) a portion of the costs of the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility to be located on the Public University main campus in Glassboro, New Jersey ("Glassboro Campus"), as part of the establishment of the Public University's Schreiber School of Veterinary Medicine; (ii) the costs of various renovations, improvements, enhancements and upgrades to various student housing facilities and on and off-campus facilities and buildings, all as part of the Public University's ongoing capital facilities plan; (iii) the acquisition, development and construction of one or more new buildings, facilities and other capital improvements for the Public University; (iv) capitalized interest on the 2024 Bonds; and (v) the costs of issuance incurred by the Authority and Public University in connection with the issuance and sale of the 2024 Bonds. See "INTRODUCTORY STATEMENT – Purpose and Use of Proceeds – 2024 Bonds;" and "PLAN OF FINANCE – 2024 Bonds;" herein.

The proceeds of the 2024 Notes will be loaned to the Public University by the Authority pursuant to a Loan and Security Agreement, dated as of April 1, 2021, as amended and supplemented by a First Amendment to Loan Agreement between the Authority and the Public University dated as of February 1, 2024 (as amended and supplemented to date, the "Note Loan Agreement"; together with the Bond Loan Agreement, the "Loan Agreements"), each between the Authority and the Public University, and will thereafter be used by the Public University, together with other available funds of the Public University, to finance: (i) the payment, on the maturity date thereof, of the principal of and interest on the Authority's Loan Revenue Notes (Rowan University Student Center Project), Series 2021 ("2021 Notes"), which 2021 Notes were issued by the Authority, on behalf of the Public University, to pay a portion of the costs associated with the development and construction of the Public University's Chamberlin Student Center on the Public University's Glassboro Campus; (ii) capitalized interest on the 2024 Notes; and (iii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Notes. See "INTRODUCTORY STATEMENT – Purpose and Use of Proceeds – 2024 Notes" and "PLAN OF FINANCE – 2024 Notes" herein.

The 2024 Bonds will be dated the date of delivery thereof and will bear interest at the rates per annum set forth on the inside front cover hereof, payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2024, until maturity or earlier redemption, and will mature on July 1 in the years and in the principal amounts set forth on the inside front cover hereof. The 2024 Bonds are subject to redemption prior to maturity as set forth herein. See "DESCRIPTION OF THE 2024 OBLIGATIONS – 2024 Bond Redemption Provisions".

The 2024 Notes will be dated the date of delivery thereof and will bear interest at the rate set forth on the inside front cover hereof, payable on the maturity or earlier redemption date thereof. The 2024 Notes mature on February 27, 2025 and are subject to redemption prior to maturity as set forth herein. See "DESCRIPTION OF THE 2024 OBLIGATIONS – 2024 Note Redemption Provisions".

The 2024 Obligations will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of the 2024 Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. Individual purchases of the 2024 Notes will be made in book-entry form (without certificates) in denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof. Principal of and interest on the 2024 Obligations will be payable at maturity, stated or otherwise, by the Trustee. So long as Cede & Co. is the registered owner of the 2024 Obligations, payments of principal of and interest on the 2024 Obligations will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as defined herein) which will, in turn, remit such payments to the Beneficial Owners (as defined herein) of the 2024 Obligations. Purchasers will not receive certificates representing their ownership interest in the 2024 Obligations purchased. For so long as any purchaser is a Beneficial Owner of a 2024 Obligation, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such 2024 Obligation. See "DESCRIPTION OF THE 2024 OBLIGATIONS - Book-Entry-Only System," herein.

The 2024 Obligations are special and limited obligations of the Authority payable solely from the Revenues (as defined in each of the Indentures) and secured by the Pledged Property (as such term is defined in each of the Indentures). See "SECURITY FOR THE 2024 OBLIGATIONS" herein. The Revenues include, among other things, the loan payments to be made by the Public University under each of the Loan Agreements. The Loan Agreements are valid and enforceable unsecured general obligations of the Public University payable from legally available funds of the Public University. Pursuant to each Indenture, the Authority will assign (with certain reservations) its respective rights and benefits under the respective Loan Agreement to the Trustee as security for the respective 2024 Obligation. See "SECURITY FOR THE 2024 OBLIGATIONS" herein.

**THE 2024 OBLIGATIONS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN EACH OF THE INDENTURES AND THE PUBLIC UNIVERSITY TO THE EXTENT SET FORTH IN EACH OF THE LOAN AGREEMENTS), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN EACH OF THE INDENTURES) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE LOAN AGREEMENTS). NEITHER THE AUTHORITY NOR THE PUBLIC UNIVERSITY HAVE TAXING POWER. THE 2024 OBLIGATIONS ARE SECURED AND PAYABLE SOLELY FROM THE PLEDGED PROPERTY (AS DEFINED IN EACH OF THE INDENTURES) WHICH INCLUDES PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO EACH OF THE LOAN AGREEMENTS, AND OTHER AMOUNTS PLEDGED TO THE 2024 OBLIGATIONS.**

The scheduled payment of principal of and interest on the 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2024 Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE" herein.



This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to their making an informed investment decision.

The 2024 Obligations are offered when, as and if issued by the Authority, subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and to certain other conditions. Certain matters will be passed upon for the Authority by its counsel, John A. Alice, Esquire, Woodbury, New Jersey, for the Public University by its general counsel, Melissa Wheatcroft, Esq., General Counsel, and by its special counsel, Gibbons P.C., Newark, New Jersey, and for the Underwriters by their counsel, Obermayer Rebmann Maxwell & Hippel LLP, Mount Laurel, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the Authority and the Public University in connection with the issuance of the 2024 Obligations. It is expected that the 2024 Obligations will be available for delivery through the facilities at DTC in New York, New York on or about February 29, 2024.

**2024 Bonds**

**STIFEL**

**BofA Securities**

**Raymond James**

**Siebert Williams Shank & Co., LLC**

**2024 Notes**

**RAYMOND JAMES®**

**\$167,325,000**  
**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**LOAN REVENUE BONDS**  
**(ROWAN UNIVERSITY PROJECTS), SERIES 2024**

**MATURITIES, PRINCIPAL AMOUNTS,  
INTEREST RATES, YIELDS AND CUSIP NUMBERS**

| <b>Maturity<br/>(July 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Yield*</b> | <b>CUSIP<br/>Number***</b> |
|------------------------------|-----------------------------|--------------------------|---------------|----------------------------|
| 2034                         | \$3,500,000                 | 5.000%                   | 2.740%        | 37970PLJ9                  |
| 2035                         | 4,955,000                   | 5.000                    | 2.900         | 37970PLK6                  |
| 2036                         | 5,200,000                   | 5.000                    | 2.930         | 37970PLL4                  |
| 2037                         | 5,465,000                   | 5.000                    | 3.010         | 37970PLM2                  |
| 2038                         | 5,735,000                   | 5.000                    | 3.130         | 37970PLN0                  |
| 2039                         | 6,020,000                   | 5.000                    | 3.250         | 37970PLP5                  |
| 2040                         | 6,325,000                   | 5.000                    | 3.380         | 37970PLQ3                  |
| 2041                         | 6,640,000                   | 5.000                    | 3.460         | 37970PLR1                  |
| 2042                         | 6,970,000                   | 5.000                    | 3.510         | 37970PLS9                  |
| 2043                         | 7,320,000                   | 5.000                    | 3.570         | 37970PLT7                  |
| 2044                         | 7,685,000                   | 5.000                    | 3.630         | 37970PLU4                  |

\$44,595,000 5.00% Term Bond due July 1, 2049 Yield: 3.870%\* CUSIP: 37970PLV2\*\*\*  
\$56,915,000 5.00% Term Bond due July 1, 2054 Yield: 3.950%\* CUSIP: 37970PLW0\*\*\*

**\$25,605,000**  
**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**LOAN REVENUE NOTES**  
**(ROWAN UNIVERSITY STUDENT CENTER PROJECT), SERIES 2024**

**MATURITY, PRINCIPAL AMOUNT,  
INTEREST RATE, YIELD AND CUSIP NUMBER**

| <b>Maturity</b>   | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Yield</b> | <b>CUSIP<br/>Number***</b> |
|-------------------|-----------------------------|--------------------------|--------------|----------------------------|
| February 27, 2025 | \$25,605,000                | 4.000%                   | 3.300%**     | 37970PLX8                  |

\* Priced to the first optional redemption date of January 1, 2032.

\*\* Priced to the first optional redemption date of December 1, 2024.

\*\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the 2024 Obligations and none of the Authority, the Public University or the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the 2024 Obligations is subject to being changed after the issuance of the 2024 Obligations as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2024 Obligations.

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**109 Budd Boulevard**  
**Woodbury, New Jersey 08096**

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**MUNICIPAL ADVISOR**

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Dr. Mira Lalovic-Hand, Senior Vice President for Information Resources and Technology

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Dr. Anthony Lowman, Provost and Senior Vice President for Academic Affairs

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Mr. Jesse Shafer, Vice President for University Advancement/Rowan University Foundation Executive Director

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Mr. Ronald J. Tallarida, Chief of Staff

Dr. Mei Wei, Vice President for Research

Mr. David Weinstein, Vice President for Government Relations

Ms. Melissa Wheatcroft, Esq., General Counsel and Liaison to the Board of Trustees

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2024 OBLIGATIONS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

No dealer, broker, salesperson or other person has been authorized by the Authority or the Public University to give any information or to make any representations with respect to the 2024 Obligations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the 2024 Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the Public University and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation of the Authority. The information set forth herein relative to DTC and DTC's book-entry-only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

The 2024 Obligations have not been registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Indenture has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2024 Obligations and the security therefor, including an analysis of the risk involved. The 2024 Obligations have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2024 Obligations in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2024 Obligations have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2024 Obligations or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE USE OF FORWARD-LOOKING TERMS SUCH AS "PLAN", "EXPECT", "ESTIMATE", "BUDGET", "WILL", "SHOULD", "BELIEVES" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, CERTAIN STATEMENTS CONTAINED IN APPENDIX "A" SUCH FORWARD-LOOKING STATEMENTS, AND THE ESTIMATES AND ASSUMPTIONS ON WHICH THEY ARE BASED, ARE REASONABLE. HOWEVER, ESTIMATES AND ASSUMPTIONS ARE INHERENTLY UNCERTAIN, AND NO ASSURANCE CAN BE GIVEN THAT THEY WILL PROVE TO BE CORRECT OR THAT EXPECTATIONS BASED UPON THEM WILL BE REALIZED. NEITHER THE PUBLIC UNIVERSITY, NOR THE UNDERWRITERS, THEREFORE, CAN OR DOES WARRANT THAT THE RESULTS CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS WILL BE ACHIEVED, AND IT IS LIKELY THAT ACTUAL RESULTS WILL DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. ACCORDINGLY, UNDUE RELIANCE SHOULD NOT BE PLACED UPON SUCH FORWARD-LOOKING STATEMENTS.

References in this Official Statement to statutes, laws, rules, regulations, resolutions (including the Resolution), agreements (including the Indentures, the Loan Agreements and the Continuing Disclosure Agreement, each as defined herein), reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the 2024 Obligations referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY (2024 BONDS)”.

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**OFFICIAL STATEMENT**  
**Relating to**  
**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**(Gloucester County, New Jersey)**

**\$167,325,000**  
**LOAN REVENUE BONDS**  
**(ROWAN UNIVERSITY PROJECTS), SERIES 2024**

and

**\$25,605,000**  
**LOAN REVENUE NOTES**  
**(ROWAN UNIVERSITY STUDENT CENTER PROJECT), SERIES 2024**

**INTRODUCTORY STATEMENT**

**General**

This Official Statement, which includes the inside front cover page and the Appendices hereto, is furnished by The Gloucester County Improvement Authority ("Authority" or "GCIA"), a public body corporate and politic of the State of New Jersey ("State"), to provide certain information relating to: (i) the Authority; (ii) Rowan University ("Public University"), a public institution of higher education organized and established by the State pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, N.J.S.A. 18A:64M-1, *et seq.* ("Rowan Act") whose main campus is located in the Borough of Glassboro, Gloucester County, New Jersey; (iii) the SVM Project (as hereinafter defined and described); (iv) the Capital Projects (as hereinafter defined and described); (iv) the Refinancing Project (as hereinafter defined and described); and (v) the \$167,325,000 aggregate principal amount of Loan Revenue Bonds (Rowan University Projects), Series 2024 ("2024 Bonds"), dated the date of delivery thereof, to be issued by the Authority on behalf of the Public University; and (vi) the \$25,605,000 principal amount of Loan Revenue Notes (Rowan University Student Center Project), Series 2024, dated the date of delivery ("2024 Notes" and together with the 2024 Bonds, the "2024 Obligations") to be issued by the Authority on behalf of the Public University. See "PLAN OF FINANCE".

The 2024 Bonds are being issued by the Authority, on behalf of the Public University, pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a bond resolution adopted by the Authority on October 19, 2023, as amended ("Bond Resolution"); and (iii) a Trust Indenture, dated as of February 1, 2024 ("Bond Indenture"), by and between the Authority and TD Bank, National Association, as trustee ("Trustee").

The 2024 Notes are being issued by the Authority, on behalf of the Public University, pursuant to: (i) the Act; (ii) a Note Resolution adopted by the Authority on December 21, 2023 ("Note Resolution"); and (iii) a Trust Indenture, dated as of April 1, 2021, as amended and supplemented by a First Supplemental Trust Indenture, dated as of February 1, 2024 (as amended and supplemented to date, the "Note Indenture" and, together with the Bond Indenture, the "Indentures"), by and between the Authority and the Trustee.

Certain capitalized terms, not otherwise defined herein, have the meanings ascribed thereto in the Indentures. See "APPENDIX C-1 — FORMS OF BOND INDENTURE AND BOND LOAN AGREEMENT" and "APPENDIX C-2 — FORMS OF NOTE INDENTURE AND NOTE LOAN AGREEMENT", attached hereto.

## **Authority for Issuance**

The 2024 Bonds are being issued pursuant to: (i) the Act; (ii) the Bond Resolution; and (iii) the Bond Indenture. The 2024 Notes are being issued pursuant to: (i) the Act; (ii) the Note Resolution; and (iii) the Note Indenture. The Act, among other things, empowers the Authority to issue its revenue bonds, notes and other obligations to provide funds to finance and refinance public facilities for use by a governmental agency for its governmental purposes, which includes the Public University. For information concerning the Public University, see "APPENDIX A — INFORMATION REGARDING THE PUBLIC UNIVERSITY" and "APPENDIX B — INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022" hereto.

The financing plan of the Authority regarding the 2024 Bonds was reviewed and approved by the Local Finance Board of the Division of Local Government Services within the State Department of Community Affairs ("Local Finance Board") at a meeting held on October 11, 2023. The Authority anticipates adopting a resolution on February 15, 2024, confirming the findings of the Local Finance Board with respect to the 2024 Bonds.

The original financing plan of the Authority regarding the 2021 Notes (as hereinafter defined) was reviewed and approved by the Local Finance at a meeting held on February 10, 2021. In accordance with N.J.S.A. 40A:5A-24, on January 26, 2024, the Authority submitted a letter filing to the Local Finance Board providing written notice for the issuance by the Authority of the 2024 Notes.

In accordance with the Act: (i) the issuance of the 2024 Bonds was consented to by the Board of County Commissioners ("Board of Commissioners") of the County of Gloucester, New Jersey ("County") on November 8, 2023; and (ii) the original issuance of the 2021 Notes was consented to by the Board of Commissioners on March 3, 2021.

The issuance of the 2024 Bonds and the execution and delivery by the Public University of the Bond Loan Agreement (as defined herein) was authorized by resolutions of the Board of Trustees of the Public University ("University Board") adopted or to be adopted on June 15, 2022, February 15, 2023, June 21, 2023 and February 14, 2024. The issuance of the 2024 Notes and the execution and delivery by the Public University of the Note Loan Agreement (as defined herein) was authorized by resolution of the Board of Trustees of the Public University on December 13, 2023.

## **Purpose and Use of Proceeds**

### *2024 Bonds*

The Public University is one of the leading academic and research institutions in the State and, in furtherance of its continued aims of attracting, training and retaining top students, researchers, scientists and professionals in the State, has determined to expand its undergraduate, graduate and doctoral studies programs to include veterinary bioscience and veterinary medicine. In furtherance of such determination, the Public University has established the "Schreiber School of Veterinary Medicine" ("SVM") to provide academic studies and training, cutting-edge research and real-world application for veterinary bioscience and veterinary medicine.

In connection with establishing the SVM, the Public University has determined to develop and construct a new, approximately 180,000 square foot, state-of-the art school of veterinary medicine, applied science and clinical facility, together with the acquisition of all equipment necessary therefore or related thereto (collectively, the "SVM Project"), to be located on the Public University's main campus in Glassboro, New Jersey ("Glassboro Campus"), on real property owned by the Public University.

In addition, the Public University has determined to: (i) undertake and complete various improvements and upgrades to various student housing facilities; (ii) undertake and complete various renovations, improvements and upgrades to Campbell Library; (iii) acquire and renovate and, thereafter, undertake and complete various improvements to the Glassboro Intermediate School for new administrative and operational space; (iv) undertake and complete the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (v) undertake and complete various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto (items (i) through (v) are collectively referred to as the "Capital Projects").

In connection with the determination of the Public University to establish the SVM and to continue its development of facilities in the County, including the SVM Project and the Capital Projects, the Authority has offered to issue the 2024 Bonds on behalf of the Public University. In particular, in furtherance of the Act, the proceeds of the 2024 Bonds will be loaned to the Public University pursuant to and in accordance with a Loan and Security Agreement dated as of February 1, 2024 between the Authority and the Public University ("Bond Loan Agreement"), to provide funds, to finance: (i) a portion of the costs of the SVM Project; (ii) the costs of the Capital Projects; (iii) capitalized interest on the 2024 Bonds; and (iv) the costs of issuance incurred by the Authority and Public University in connection with the issuance and sale of the 2024 Bonds (collectively, the "Bond Project"). See "PLAN OF FINANCE – 2024 Bonds".

#### *2024 Notes*

The proceeds of the sale of the 2024 Notes will be loaned to the Public University pursuant to and in accordance with a Loan and Security Agreement, dated as of April 1, 2021, as amended and supplemented by a First Amendment to Loan Agreement, dated as of February 1, 2024 (as amended and supplemented to date, the "Note Loan Agreement" and, together with the Bond Loan Agreement, the "Loan Agreements"), each between the Authority and the Public University, to provide funds, together with other available funds of the Public University, to finance: (i) the payment, on March 1, 2024, of the maturing principal of and interest on the Authority's Loan Revenue Notes (Rowan University Student Center Project), Series 2021 ("2021 Notes"), which 2021 Notes were issued by the Authority, on behalf of the Public University, to pay a portion of the costs associated with the development and construction of the Public University's Chamberlin Student Center on the Public University's Glassboro Campus; and (ii) capitalized interest on the 2024 Notes, and (iii) the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Notes (collectively, the "Note Project"; together with the Bond Project, the "Projects"). See "PLAN OF FINANCE".

#### **Security for the 2024 Obligations**

#### *2024 Bonds*

The 2024 Bonds are special and limited obligations of the Authority payable solely from and secured by certain pledged property defined and described in the Bond Indenture ("Bond Pledged Property"). See "SECURITY FOR THE 2024 OBLIGATIONS" herein.

The Bond Pledged Property includes certain revenues defined and described in the Bond Indenture ("Bond Revenues"), which include, among other things, the loan payments to be made by the Public University under the Bond Loan Agreement ("Bond Loan Payments"). The University Board has, by resolution, authorized the execution and performance on behalf of the Public University of the Bond Loan

Agreement and the pledge of the Public University's general obligation to the payment of the Public University's Bond Loan Payments. The obligation of the Public University to pay Bond Loan Payments is enforceable regardless of whether Bond Loan Payments have been budgeted for by the Public University. The Bond Loan Agreement is a valid and enforceable unsecured general obligation of the Public University payable from legally available funds of the Public University. Pursuant to the Bond Indenture, the Authority will assign (with certain reservations) its rights and benefits under the Bond Loan Agreement to the Trustee as security for the 2024 Bonds.

The Bond Loan Payments are equal to the amount of the principal of, and interest on, the 2024 Bonds due on each loan payment date established in the Bond Loan Agreement (each a "Bond Loan Payment Date") or Redemption Price (as each is defined in the Bond Loan Agreement) due on any redemption date and, as applicable, Additional Loan Payments (as defined in the Bond Loan Agreement) (including, but not limited to, administrative expenses of the Authority with respect to the 2024 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Bond Loan Agreement. Pursuant to the Bond Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Bond Loan Payments. See "SECURITY FOR THE 2024 OBLIGATIONS – Loan Agreements - 2024 Bonds" herein.

#### *2024 Notes*

The 2024 Notes are special and limited obligations of the Authority payable solely from and secured by certain pledged property defined and described in the Note Indenture ("Note Pledged Property"). See "SECURITY FOR THE 2024 OBLIGATIONS" herein.

The Note Pledged Property includes certain revenues defined and described in the Note Indenture ("Note Revenues"), which include, among other things, the loan payments to be made by the Public University under the Note Loan Agreement ("Note Loan Payments"). The University Board has, by resolution, authorized the execution and performance on behalf of the Public University of the Note Loan Agreement and the pledge of the Public University's general obligation to the payment of the Public University's Note Loan Payments. The obligation of the Public University to pay Note Loan Payments is enforceable regardless of whether Note Loan Payments have been budgeted for by the Public University. The Note Loan Agreement is a valid and enforceable unsecured general obligation of the Public University payable from legally available funds of the Public University. Pursuant to the Note Indenture, the Authority will assign (with certain reservations) its rights and benefits under the Note Loan Agreement to the Trustee as security for the 2024 Notes.

The Note Loan Payments are equal to the amount of the principal of, and interest on, the 2024 Notes due upon maturity or earlier redemption of the 2024 Notes as described in the Note Loan Agreement (each a "Note Loan Payment Date") or Redemption Price (as each is defined in the Note Loan Agreement) due on any redemption date and, as applicable, Additional Loan Payments (as defined in the Note Loan Agreement) (including, but not limited to, administrative expenses of the Authority with respect to the 2024 Notes incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Note Loan Agreement. Pursuant to the Note Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Note Loan Payments; provided, however, that, pursuant to the Note Loan Agreement, the Public University shall give the Authority and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget that does not include sufficient amounts to pay the Loan Payments due in any Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a Public University budget. See "SECURITY FOR THE 2024 OBLIGATIONS – Loan Agreements – 2024 Notes" herein.

## *2024 Obligations*

THE 2024 OBLIGATIONS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURES) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE LOAN AGREEMENTS), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURES) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE LOAN AGREEMENTS). NEITHER THE AUTHORITY NOR THE PUBLIC UNIVERSITY HAVE TAXING POWER. THE 2024 OBLIGATIONS ARE SECURED AND PAYABLE SOLELY FROM THE PLEDGED PROPERTY (AS DEFINED IN THE INDENTURES) WHICH INCLUDES PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE LOAN AGREEMENTS, AND OTHER AMOUNTS PLEDGED TO THE 2024 OBLIGATIONS.

The 2024 Obligations are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts, or revenues, except as provided in the Indentures. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the 2024 Obligations. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the Public University to the extent of the Bond Loan Payments and Note Loan Payments).

## **Operating and Financial Information Concerning the Public University**

As described above, the security of the 2024 Obligations is based on the ability of the Public University to make the payments under the Loan Agreements. For detailed legal, operational and financial information regarding the Public University, including, but not limited to, a summary of all outstanding debt and other obligations of the Public University (including repayment obligations of the Public University securing other bonds and notes issued on behalf of the Public University), please see "PUBLIC UNIVERSITY DEBT AND CERTAIN OTHER OBLIGATIONS", "APPENDIX A: INFORMATION REGARDING THE PUBLIC UNIVERSITY" and "APPENDIX B – INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022".

## **Additional Information**

Brief descriptions of the Authority and references to certain provisions of the 2024 Obligations and of the Indentures and the Loan Agreements are included in this Official Statement. The descriptions and references contained herein do not purport to be comprehensive or definitive. All references herein to the Indentures, the Loan Agreements and the other documents contained herein are qualified in their entirety by reference to such documents, and all references herein to the 2024 Obligations are qualified in their entirety by the definitive forms thereof included in the Indentures and the Loan Agreements. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings ascribed to them in the Indentures. See "APPENDIX C-1 and C-2: FORMS OF INDENTURES" herein.

The text of the form of approving opinions of Bond Counsel are attached hereto as APPENDIX E-1 and E-2.

## **PLAN OF FINANCE**

### *2024 Bonds*

The 2024 Bonds are being issued to provide funds, on behalf of the Public University, to finance the costs of the Bond Project.

### **SVM Project**

#### General

In furtherance of the Public University's continued aim of attracting, training and retaining top students, researchers, scientists and professionals in the State, the Public University has determined to expand its undergraduate, graduate and doctoral studies programs to include veterinary bioscience and veterinary medicine. To that end, in 2022 the Public University established the "Schreiber School of Veterinary Medicine" ("SVM") to provide academic studies and training, cutting-edge research and real-world application for veterinary bioscience and veterinary medicine, including: (i) the granting of undergraduate Bachelors of Science degrees in veterinary studies and veterinary technology, graduate Masters and Doctorates of Philosophy (i.e., Ph.D.'s) degrees in veterinary biomedical science (in collaboration with the Public University's two medical schools; the Graduate School of Biomedical Science and the College of Science & Mathematics), and Doctorates of Veterinary Medicine degrees (including a joint DVM/MBA in collaboration with the Public University's Rohrer College of Business); (ii) providing internships and residency programs for post-graduate study, specialization and certification; and (iii) continuing education to support the veterinary profession.

The establishment of the SVM will make the Public University the first Doctor of Veterinary Medicine granting institution in the history of the State, one of only 6 institutions on the east coast of the United States and one of only 34 institutions in the entirety of the United States.

### **SVM Project**

As part of the establishment of the SVM, the Public University will develop and construct the SVM Project, as depicted below. The SVM Project will include classrooms, labs, research facilities, clinical, diagnostic, treatment and operating spaces (including small and large animal applied science, teaching, research and medical services), offices and other administrative and operational space. The total estimated cost of the SVM Project is \$177.4 million.

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Since the Public University's announcement of the creation of the SVM in 2021, the Public University has made significant progress to secure funding for the SVM Project and future operations of the SVM. This includes the receipt of \$75 million in capital funding from the State to support the construction of the SVM Project and the award of a grant in the amount of \$22.4 million by the Secretary of Higher Education of New Jersey, which is funded through the New Jersey Higher Education Facilities Trust Fund Act. The Public University expects to finance the remaining portion of the SVM Project with a portion of the proceeds of the 2024 Bonds (approximately \$80 million), together with other Public University funds.

The Public University has also received a \$50 million grant from the New Jersey Higher Education Capital Facilities Program, to be used for required Glassboro Campus infrastructure improvements as it develops the SVM, research space and other capital projects.

In addition to the capital funds described above for the SVM, the State has also provided direct appropriations for the operations of the program, with \$7 million in fiscal year 2022 and \$12 million in fiscal year 2023. Finally, in February 2023, the SVM took a major leap forward in its mission to decrease the cost of education for veterinary students through an agreement to establish a transformational \$30 million endowment. This perpetual fund, generously donated by Gerald B. Shreiber, Chairman of J&J Snack Foods, is expected to generate approximately \$1.35 million in scholarships each year when fully funded and will have a major impact on the cost of education for SVM students for generations to come. In recognition of this gift, the SVM will become one of only three (3) named veterinary schools in the United States.

For purposes of the development and construction of the SVM Project, the Public University has engaged L.F. Driscoll (a leading, national construction and construction management firm) as its construction manager and engaged Erdy MvHenry (an architectural firm with experience designing veterinary and research facilities) to design the SVM Project.

The development and construction schedule anticipates substantial completion of the SVM Project in August 2025 to accommodate the first incoming class for the 2025-2026 academic year.

#### SVM Enrollment and Tuition

Initial enrollment targets for the SVM include 70 students (50% or more of which are expected to be from the State) and, once fully developed, the SVM is expected to support 90 students per class. To date, the Public University has received substantial interest from students and faculty for enrollment and teaching opportunities.

In-State tuition for the SVM is expected to be approximately \$36,000 per year, with out-of-State tuition expected to be approximately \$56,000, making tuition costs highly competitive to regional veterinary schools.

### SVM Leadership

*Matthew Edson, DVM, MICP, CVPM, MRCVS - Founding Dean*

Dr. Edson is the Founder and owner of Rancocas Veterinary Associates, a multi-doctor, multi-location mixed animal practice based in southern New Jersey. Dr. Edson is a former executive board member and the immediate past president of the New Jersey Veterinary Medical Association, a former site visitor for the American Veterinary Medical Association (AVMA) Council on Education, former chair of the AVMA Committee on Disaster and Emergency Issues, and former vice chair of the AVMA Practice Advisory Pilot Panel.

Dr. Edson earned his veterinary medical degree from Kansas State University. He earned his bachelor's degree in animal science and biology from Rutgers University and also completed training as a Mobile Intensive Care Paramedic through Virtua Health. He is a licensed veterinarian in New Jersey, Pennsylvania, and Delaware and a Member of the Royal College of Veterinary Surgeons.

*Karen Inzana, DVM, PhD, DACVIM (Neurology) – Associate Dean for Academic Affairs*

Dr. Inzana received her Doctorate of Veterinary Medicine from University of Tennessee and completed a residency in Neurology at University of California at Davis. She obtained a Master of Science and PhD in Neuroscience at the University of Wisconsin before joining the faculty at Virginia-Maryland College of Veterinary Medicine at Virginia Tech as Head of Clinical Neurology Service.

In 2006, Dr. Inzana was a recipient of an Advance Fellowship in Academic Affairs funded through the National Science Foundation Advance Award, which initiated her career in Academic Affairs. As one of the founding faculty at the Long Island School of Veterinary Medicine at Long Island University, she served as Associate Dean of Academic Affairs.

*Suzie Kovacs, MSc, PhD – Associate Dean for Student Success*

Dr. Kovacs graduated from the Ontario Veterinary College at the University of Guelph with a Master of Science in Epidemiology, after which was hired as a founding faculty member at Western University of Health Sciences' College of Veterinary Medicine.

Dr. Kovacs received a Ph.D. in Higher Education from Claremont Graduate University for work focused on diversity, equity, and inclusion within the veterinary profession. In 2015, she was a charter recipient of the Broad Spectrum Veterinary Student Association LGBTQ+ Awareness Award.

*Omar Tliba, DVM, MSc, PhD - Associate Dean for Research & Graduate Studies*

Dr. Tliba holds a Doctor of Veterinary Medicine degree from the El-Tarf College of Veterinary Medicine at University of Badji-Mokhtar Annaba, Algeria, a Master of Science in Biomedical Sciences from the University of Rennes, France, another master's in the area of molecular and cellular interaction between the host and parasite from the University of Paris XII, France, a University Diploma in immunophysiology of infection from "Pasteur Institute" in Paris, France, and a doctoral degree from the National Institute of Agriculture Research, Tours, France in the area of animal life science and immunology.

Dr. Tliba has over 26 years of research experience in the area of allergic diseases. In the last 20 years, he has been conducting airway inflammation-related research and specifically investigated certain pharmacological aspects of pulmonary diseases. He has been awarded several prestigious multiple years grants from foundations such as the Parker B. Francis Fellowship and American Lung Association, as well as the National Institute of Health (NIH) including K99/R00 (5 years), R21 (2 years), and R01 (11 years) and has served as a reviewer for multiple NIH foundations (both national and international) grant review panels.

### SVM Affiliation Agreements

In addition to the teaching hospital building, SVM has established relationships with third-party organizations (farms, zoos, veterinary hospitals, etc.) around the region to provide offsite educational opportunities for students. In particular, formal letters of intent have been entered into with more than 60 affiliate partners to provide elective clerkships for veterinary students.

Additionally, more formalized agreements are being made with approximately 12 additional teaching and practical training facilities where students will gain experiences core to the curriculum. These required facilities include equine and small animal specialty hospitals as well as farms with large animals and shelters while elective opportunities include zoos, aquariums, wildlife refuges, marine mammal stranding centers and others.

### Accreditation Process

For the enrollment of the first class, the SVM must obtain accreditation approval from the American Veterinary Medical Association Council on Education ("AVMA COE"), the approved accrediting body for veterinary colleges by the U.S. Department of Education, as follows:

- A "Letter of Reasonable Assurance" must be obtained prior to recruitment or matriculation of the first class.
- "Provisional Accreditation" is awarded upon matriculation of the first class and must be maintained throughout the first four years of the program.
- "Full Accreditation" is obtained upon graduation of the first class as long as all standards are maintained.

The Public University has completed the first step of accreditation by obtaining a "Letter of Reasonable Assurance, including a "Consultative Site Visit", from the AVMA COE in May of 2023. The Public University anticipates a comprehensive site visit from the AVMA COE in April of 2024.

Pending a successful comprehensive site visit, the SVM expects to receive a Letter of Reasonable Assurance by November 2024, which will allow for matriculation of the inaugural class.

### **Capital Projects**

As described above, a portion of the proceeds of the 2024 Bonds will be used to finance the costs of the Capital Projects, which include: (i) various improvements and upgrades to various student housing facilities; (ii) various renovations, improvements and upgrades to Campbell Library; (iii) the acquisition and renovation of the Glassboro Intermediate School for new administrative and operational space; (iv) the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (v) various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan

Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto.

The funding for a portion of the Capital Projects is provided from a portion of the proceeds of the 2024 Bonds in the amount of \$94,000,000.

*2024 Notes*

The 2024 Notes are being issued to provide funds, on behalf of the Public University, to finance, together with other available funds of the Public University the Note Project, as described above, which includes the payment, at maturity, of the principal of and interest on the 2021 Notes, which 2021 Notes were issued to finance a portion of the costs of the development and construction of the Public University's Chamberlin Student Center located on the Glassboro Campus (referred to as the "Student Center Project").

The 2024 Notes will mature on February 27, 2025 and may be renewed from time to time during the construction of the Student Center Project. The term of the 2024 Notes is designed to coincide with the completion of construction of the Student Center Expansion Project at which time the 2024 Notes will be permanently financed through loans provided by the United States Department of Agriculture ("USDA") through its Community Facilities Direct Loan Program ("USDA Loan"). The USDA Loan will be evidenced and secured by the issuance by the Authority of its "USDA Student Center Bonds" in the approximate principal amount of the 2024 Notes, which USDA Student Center Bonds will be purchased by the USDA pursuant to and in accordance with a bond agreement between the Authority and the USDA. Any portion of the permanent financing of the Student Center Project that is not financed by the USDA Loan may be financed through the issuance by the Authority of its loan revenue bonds on behalf of the Public University.

*Other Obligations Secured by the Public University*

Concurrently with the issuance of the 2024 Obligations, the Public University plans to cause the Camden County Improvement Authority ("CCIA") to issue, for the benefit of the Public University, its Lease Revenue Refunding Bonds (Rowan University School of Osteopathic Medicine Project) Series 2024, in the aggregate principal amount of \$15,375,000 ("CCIA Bonds") for the purpose of financing: (i) the current refunding of all of the CCIA's presently outstanding \$16,415,000 Lease Revenue Refunding Bonds (Rowan University School of Osteopathic Medicine Project) Series 2013A, maturing on December 1, 2024 through 2027, inclusive, and 2032, the proceeds of which, together with other available funds of the Public University, were used to refinance certain outstanding indebtedness issued by or on behalf of The University of Medicine and Dentistry of New Jersey ("UMDNJ") in connection with the acquisition, construction and improvement of certain facilities previously owned and operated by the School of Osteopathic Medicine of UMDNJ, which are now included as part of the Public University as the Public University's "Rowan-Virtua School of Osteopathic Medicine" located in Sewell and Stratford, New Jersey; and (ii) pay the costs and expenses incurred by the CCIA and the Public University in connection with the issuance of the CCIA Bonds. The payment of the principal of and interest on the CCIA Bonds is secured by a lease agreement between the CCIA and the Public University, pursuant to which the Public University has provided its general obligation to the payment of its Note Loan Payments.

THE CCIA BONDS ARE THE SUBJECT OF A SEPARATE OFFERING DOCUMENT AND ARE NOT BEING OFFERED FOR SALE BY THIS OFFICIAL STATEMENT.

## SOURCES AND USES OF FUNDS

### *2024 Bonds*

The proceeds to be received from the sale of the 2024 Bonds are expected to be applied as set forth below:

| <b>Sources of Funds</b>        | <b>Total</b>            |
|--------------------------------|-------------------------|
| Principal Amount of 2024 Bonds | \$167,325,000.00        |
| Original Issue Premium         | <u>15,139,317.30</u>    |
| <b>Total Sources of Funds</b>  | <u>\$182,464,317.30</u> |
|                                |                         |
| Deposit to Project Fund        | \$174,000,000.00        |
| Capitalized Interest           | 7,018,354.17            |
| Costs of Issuance*             | <u>1,445,963.13</u>     |
| <b>Total Uses of Funds</b>     | <u>\$182,464,317.30</u> |

\* Costs of issuance include, among other things, legal fees, trustee fees, underwriters' discount, Authority fees, municipal advisory fees, rating agency fees, bond insurance, accountant's fees, printing and additional proceeds.

### *2024 Notes*

The proceeds to be received from the sale of the 2024 Notes are expected to be applied as set forth below:

| <b>Sources of Funds</b>                                      | <b>Total</b>           |
|--|------------------------|
| Principal Amount of 2024 Notes                               | \$25,605,000.00        |
| Original Issue Premium                                       | <u>135,121.80</u>      |
| <b>Total Sources of Funds</b>                                | <u>\$25,737,121.80</u> |
|  |                        |
| Deposit to Revenue Fund to Repay<br>2021 Notes upon Maturity | \$24,500,000.00        |
| Capitalized Interest   | 1,018,510.00           |
| Costs of Issuance*   | <u>218,611.80</u>      |
| <b>Total Uses of Funds</b>                                   | <u>\$25,737,121.80</u> |

\* Costs of issuance include, among other things, legal fees, trustee fees, underwriters' discount, Authority fees, municipal advisory fees, rating agency fees, accountant's fees, printing and additional proceeds.

## DESCRIPTION OF THE 2024 OBLIGATIONS

### **General**

#### *2024 Bonds*

The 2024 Bonds will be issued as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof. The 2024 Bonds will be dated and will bear interest from the date of delivery thereof. Interest will be payable semiannually on January 1 and July 1 of each year (each a "Bond Interest Payment Date"), commencing July 1, 2024, until maturity or earlier redemption. The 2024 Bonds will bear interest at the interest rates per annum, and will mature on July 1 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement. The 2024 Bonds are subject to redemption under certain circumstances as summarized under "DESCRIPTION OF THE 2024 OBLIGATIONS — Redemption Provisions – 2024 Bonds" herein.

#### *2024 Notes*

The 2024 Notes will be issued as fully registered notes without coupons in the denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof. The 2024 Notes will be dated the date of delivery thereof, will mature on February 27, 2025, and will bear interest at the rate set forth on the inside front cover hereof. Interest on the 2024 Notes will be payable on the maturity date thereof or upon earlier redemption. Principal of the 2024 Notes shall be payable upon presentation and surrender of the 2024 Notes at the offices of the Trustee. The 2024 Notes are subject to redemption under certain circumstances as summarized under "DESCRIPTION OF THE 2024 OBLIGATIONS — Redemption Provisions – 2024 Notes" herein.

### **Book-Entry-Only System\*\***

The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2024 Obligations, payment of principal, redemption premium, if any, and interest and other payments with respect to the 2024 Obligations to Direct Participants (as defined below) or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in such 2024 Obligations and other related transactions by and among The Depository Trust Company, New York, New York ("DTC"), the Direct Participants and Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority.

DTC will act as securities depository for the 2024 Obligations. The 2024 Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of the 2024 Obligations, in the aggregate principal amount of such maturity of each series of the 2024 Obligations, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A

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\*\* Source: The Depository Trust Company

of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 2024 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Obligations on DTC's records. The ownership interest of each actual purchaser of each 2021 Obligation (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2024 Obligations, except in the event that use of the book-entry-only system for the 2024 Obligations is discontinued.

To facilitate subsequent transfers, all 2024 Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Obligations with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2024 Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 Obligations unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts the 2024 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the 2024 Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, or interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2024 Obligations at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Obligation certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2024 Obligation certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the 2024 Obligations, as nominee of DTC, references herein to the Bondholders or Noteholders or Registered Owners of the 2024 Obligations (excluding all references thereto under the heading "TAX MATTERS" herein) means Cede & Co., not the Beneficial Owners of the 2024 Obligations.

The Trustee and the Authority will recognize DTC or its nominee as the holder of the 2024 Obligations for all purposes, including notices and voting, and so long as a book-entry-only system is used, will send any notice of redemption or other notices to holders of the 2024 Obligations only to DTC. Any failure of DTC to advise any DTC Participants, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2024 Obligations called for redemption of or any other action premised on such notice.

The Trustee and the Authority cannot and do not give any assurance that DTC will distribute payments of debt service of DTC Participants or that the DTC Participants or others will distribute payments of debt service on the 2024 Obligations paid to DTC or its nominee, as the registered owner thereof, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

**NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE TO ANY DTC PARTICIPANT, ANY INDIRECT PARTICIPANT OR BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE 2024 OBLIGATIONS; (3) THE DELIVERY OF ANY NOTICE TO ANY DTC PARTICIPANT, ANY INDIRECT PARTICIPANT OR BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE 2024**

OBLIGATIONS TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2024 OBLIGATIONS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2024 OBLIGATIONS. PAYMENT MADE BY THE TRUSTEE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY'S OBLIGATIONS WITH RESPECT TO THE 2024 OBLIGATIONS TO THE EXTENT OF SUCH PAYMENTS.

IT IS THE DUTY OF EACH BENEFICIAL OWNER TO ARRANGE WITH ITS DTC PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH DTC PARTICIPANT OR INDIRECT PARTICIPANT PAYMENTS OF PRINCIPAL AND INTEREST, CREDIT BALANCES AND ALL OTHER COMMUNICATIONS WHICH THE DTC PARTICIPANT OR INDIRECT PARTICIPANT RECEIVES FROM DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

### **Redemption Provisions**

#### *2024 Bonds*

The 2024 Bonds shall be subject to redemption prior to maturity as follows:

*Optional Redemption.* The 2024 Bonds maturing on or after July 1, 2034, are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Bond Loan Agreement, on or after January 1, 2032, in whole or in part at any time, and, if in part, in such order of maturity as the Public University may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2024 Bonds maturing on July 1, 2049, are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2045        | \$8,070,000             |
| 2046        | 8,475,000               |
| 2047        | 8,900,000               |
| 2048        | 9,340,000               |
| 2049*       | 9,810,000               |

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\* Final Maturity

The 2024 Bonds maturing on July 1, 2054, are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2050        | \$10,300,000            |
| 2051        | 10,815,000              |
| 2052        | 11,355,000              |
| 2053        | 11,925,000              |
| 2054*       | 12,520,000              |

\* Final Maturity

#### *2024 Notes*

The 2024 Notes shall be subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Note Loan Agreement, on or after December 1, 2024 in whole or in part at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Notes to be redeemed, plus accrued interest to the redemption date.

#### **Selection of 2024 Obligations to be Redeemed**

##### *2024 Bonds*

The 2024 Bonds shall be redeemed only in Authorized Denominations. If less than all of the 2024 Bonds are to be redeemed prior to maturity and in any principal amount within a maturity, such 2024 Bonds shall be called for redemption in any order of maturity as the Authority may designate with the consent of the Public University. If the 2024 Bonds are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such 2024 Bonds and if fewer than all of such 2024 Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular 2024 Bonds to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the 2024 Bonds are held in book-entry form, the selection for redemption of such 2024 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the 2024 Bonds will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all 2024 Bonds remaining Outstanding will be in Authorized Denominations.

If the 2024 Bonds are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the 2024 Bonds, if fewer than all of the 2024 Bonds of the same maturity and bearing the same rate of interest are to be redeemed, such 2024 Bonds of the same maturity and bearing such interest rate will be selected on a pro-rata basis within any maturity as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all 2024 Bonds remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective registered Owners of the 2024 Bonds on a payment date and (b) the denominator of which is equal to the total original principal amount of the 2024 Bonds.

In the case of a partial redemption of 2024 Bonds when such 2024 Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with

such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate 2024 Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any 2024 Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such 2024 Bond or such Owner's attorney or legal representative shall forthwith present and surrender such 2024 Bond to the Trustee: (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption; and (ii) for exchange, without charge to the Owner thereof for a new 2021 Bond or 2024 Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such 2024 Bond. If the Owner of any such 2024 Bond shall fail to present such 2024 Bond to the Trustee for payment and exchange as aforesaid, said 2024 Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

#### *2024 Notes*

The 2024 Notes shall be redeemed only in Authorized Denominations. If the 2024 Notes are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such 2024 Notes, and if fewer than all of such 2024 Notes are to be redeemed, the portion of the 2024 Notes to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the 2024 Notes are held in book-entry form, the selection for redemption of such 2024 Notes shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the 2024 Notes will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all 2024 Notes remaining Outstanding will be in Authorized Denominations.

If the 2024 Notes are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the 2024 Notes, if fewer than all of the 2024 Notes are to be redeemed, such 2024 Notes will be selected on a pro-rata basis as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all 2024 Notes remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective registered Owners of the 2024 Notes on a payment date and (b) the denominator of which is equal to the total original principal amount of the 2024 Notes.

In the case of a partial redemption of 2024 Notes when such 2024 Notes of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate 2024 Note of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any 2024 Note is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such 2024 Note or such Owner's attorney or legal representative shall forthwith present and surrender such 2024 Note to the Trustee: (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption; and (ii) for exchange, without charge to the Owner thereof for a new 2024 Note or 2024 Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such 2024 Note. If the Owner of any such 2024 Note shall fail to present such 2024 Note to the Trustee for payment and exchange as aforesaid, said 2024 Note shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

## **Notice of Redemption**

The Trustee shall call 2024 Obligations for redemption and payment, as herein provided, upon receipt by the Trustee, at least 45 days prior to the redemption date, of a written request of the Authority with the consent of the Public University. Such request shall specify the principal amount of either the 2024 Bonds or the 2024 Notes and the maturity or maturities so to be called for redemption of such series of the 2024 Obligations, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such 2024 Bonds or 2024 Notes are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory sinking fund redemption of 2024 Bonds, and such 2024 Bonds, subject to the exercise by the Authority of its rights under the Indenture, shall be called by the Trustee for redemption pursuant to such mandatory sinking fund redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the 2024 Bonds or the 2024 Notes to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the series of the 2024 Obligations to be redeemed; (ii) the redemption date; (iii) the redemption price; (iv) if less than all Outstanding 2024 Obligations are to be redeemed, the identification number and the respective principal amounts to be redeemed of the 2024 Obligations to be redeemed; (v) that on the redemption date the redemption price will become due and payable upon each such 2024 Obligation or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such 2024 Obligations are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of 2024 Obligations.

Any notice of redemption of any 2024 Obligations pursuant to the Indenture may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the 2024 Obligations or portions thereof which are to be redeemed on that date.

So long as the 2024 Obligations are in book-entry form, the Trustee shall mail such notice solely to DTC and the Trustee will not send redemption notices to Beneficial Owners of the 2024 Obligations.

## **Negotiable Instruments**

The 2024 Obligations issued pursuant to the Act are fully negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provision for registration contained in the 2024 Obligations.

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## PUBLIC UNIVERSITY DEBT AND CERTAIN OTHER OBLIGATIONS

The Public University has previously entered into certain loan and lease agreements with each of the Authority, the CCIA and the New Jersey Educational Facilities Authority ("NJEFA"), to secure series of bonds, each as more particularly described in Table I below:

**TABLE I**

| <u>SERIES OUTSTANDING</u>   | <u>ISSUER</u> | <u>LOAN OR<br/>LEASE<br/>AGREEMENT</u> | <u>PRINCIPAL AMOUNT<br/>OUTSTANDING AS OF<br/>DATE OF ISSUANCE<br/>OF THE 2024<br/>OBLIGATIONS</u> | <u>YEAR OF FINAL<br/>MATURITY</u> |
|---|---------------|--|--|-----------------------------------|
| Revenue Refunding Bonds, Rowan University Issue, Series 2011C   | NJEFA         | Lease                                  | \$2,245,000  | 2025                              |
| Lease Revenue Refunding Bonds (Rowan School of Osteopathic Medicine Project) Series 2013B (Federally Taxable) | CCIA          | Lease                                  | 14,085,000   | 2032                              |
| Revenue Bonds (Rowan University General Capital Improvement Projects) Series 2015A                            | Authority     | Loan                                   | 34,745,000   | 2036                              |
| Revenue Refunding Bonds (Rowan University Project) Series 2015B   | Authority     | Loan                                   | 33,900,000   | 2031                              |
| Revenue Bonds (Rowan University Business and Engineering School Projects) Series 2015C                        | Authority     | Loan                                   | 51,550,000   | 2044                              |
| Revenue Refunding Bonds, Rowan University Issue, Series 2016C   | NJEFA         | Loan                                   | 28,485,000   | 2031                              |
| Revenue Refunding Bonds (Rowan University Project) Series 2017A   | Authority     | Loan                                   | 52,550,000   | 2033                              |
| Revenue Bonds (Rowan University Project) Series 2019A   | Authority     | Loan                                   | 56,600,000   | 2048                              |
| Revenue Refunding Bonds (Rowan University Project) Series 2020A   | CCIA          | Loan                                   | 62,570,000   | 2035                              |
| Loan Revenue Bonds (Rowan University Fossil Park and Student Center Projects), Series 2021                    | Authority     | Loan                                   | 64,780,000   | 2051                              |
| Lease Revenue Refunding Bonds (Rowan University School of Osteopathic Medicine Project), Series 2024          | CCIA          | Lease                                  | 15,375,000   | 2032                              |
| Loan Revenue Bonds (Rowan University Projects), Series 2024   | Authority     | Loan                                   | 167,325,000  | 2054                              |
| Loan Revenue Notes (Rowan University Student Center Project), Series 2024                                     | Authority     | Loan                                   | 25,605,000   | 2025                              |
| <b>Total:</b>   |               |  | <b>\$609,815,000</b>   |                                   |

The separate lease and loan agreements entered into by and between the Public University and each of the Authority, CCIA and NJEFA, as set forth in Table I above, shall be collectively referred to herein as the "Prior Agreements". The payment of annual lease payments and loan payments under each of the existing Prior Agreements constitutes a general obligation of the Public University, payable from any legally available moneys of the Public University. See "ANNUAL DEBT SERVICE REQUIREMENTS OF THE 2024 OBLIGATIONS AND OTHER PUBLIC UNIVERSITY DEBT" (constituting and referred to herein as the "Aggregate Debt Service Table") herein for a more complete discussion of outstanding indebtedness of the Public University. The Aggregate Debt Service Table sets forth the total payments by the Public University to repay bonds and notes issued on its behalf, including the 2024 Obligations. All such debt service constitutes a general obligation of the Public University payable from any legally available monies of the Public University, and, except for the NJEFA's Revenue Refunding Bonds and Rowan University Issue, Series 2016C, such obligations are unsecured.

The Public University is not subject to any contractual or legal constraint on the amount of debt or other financial obligations it may incur and each of the Authority, the NJEFA and the CCIA may, from time to time, issue other series of its revenue bonds in addition to the 2024 Obligations, to finance or refinance projects on behalf of the Public University.

In addition to the above, the Authority issued its Revenue Bonds (Health and Sciences Center Parking Facility Project), Series 2019, in the aggregate principal amount of \$32,687,000 ("Parking Facility Bonds"). The Parking Facility Bonds are currently outstanding in the amount of \$30,306,049. The Parking Facility Bonds are secured by certain payments to be made by the Public University and Cooper Health System ("Cooper"), pursuant to certain Parking License Agreements entered into by and between the Authority and each of the Public University and Cooper. The Public University is required to pay a monthly license fee, which began on the date the parking facility commenced business operations in an amount equal to the Public University's pro rata allocation of debt service on the Parking Facility Bonds, operation and maintenance costs and certain other expenses associated with the parking facility. The payments made by the Public University under its Parking License Agreement constitute a general obligation of the Public University, payable from any legally available moneys of the Public University.

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## ANNUAL DEBT SERVICE REQUIREMENTS OF THE 2024 OBLIGATIONS AND OTHER PUBLIC UNIVERSITY DEBT<sup>(1)</sup>

The following table sets forth, as of the date of issuance of the 2024 Obligations, for each 12-month period ending on June 30, the amounts required for the payment of the principal of and interest on the Public University's outstanding debt obligations, plus the 2024 Obligations, and the total of such principal and interest.

| Year<br>Ending<br>June 30 <sup>(2)</sup> | Debt Service<br>on NJEFA<br>Bonds <sup>(3)</sup> | Debt Service<br>on CCIA<br>Bonds <sup>(4)</sup> | Debt Service<br>on Authority<br>Supported<br>Bonds <sup>(5)</sup> | Debt Service<br>on State<br>Supported<br>Obligations <sup>(6)</sup> | Long-Term   |               | Debt Service on the<br>2024 Bonds <sup>(8)(9)</sup> | Total Debt<br>Service <sup>(8)(9)(10)</sup> |
|--|--|---|---|---|---|---------------|---|---|
|  |  |   |   |   | Lease<br>Obligations &<br>Direct<br>Placements <sup>(7)</sup> | Principal     |   |   |
| 2024                                     | \$7,567,425                                      | \$6,083,075                                     | \$9,540,066   | \$215,799   | \$10,379,988  | -             | -   | \$33,786,353                                |
| 2025                                     | 7,291,900  | 11,186,396                                      | 23,130,181  | 1,591,759   | 10,726,097  | -             | \$4,183,125   | 58,109,457                                  |
| 2026                                     | 6,831,175  | 11,165,349                                      | 23,167,056  | 1,591,789   | 11,083,531  | -             | 8,366,250   | 62,205,150                                  |
| 2027                                     | 9,076,175  | 11,103,438                                      | 23,193,056  | 1,591,576   | 11,451,592  | -             | 8,366,250   | 64,782,087                                  |
| 2028                                     | 998,925  | 11,080,365                                      | 26,193,431  | 1,591,570   | 11,829,578  | -             | 8,366,250   | 60,060,119                                  |
| 2029                                     | 1,001,550  | 11,073,817                                      | 26,124,681  | 1,591,473   | 12,221,732  | -             | 8,366,250   | 60,379,503                                  |
| 2030                                     | 998,550  | 11,062,661                                      | 24,870,106  | 1,591,426   | 12,627,272  | -             | 8,366,250   | 59,516,266                                  |
| 2031                                     | 451,550  | 11,055,764                                      | 22,045,044  | 1,591,613   | 13,095,300  | -             | 8,366,250   | 56,605,520                                  |
| 2032                                     | -  | 11,032,243                                      | 20,144,375  | 1,349,908   | 13,593,575  | -             | 8,366,250   | 54,486,351                                  |
| 2033                                     | -  | 11,522,195                                      | 18,728,350  | 1,093,504   | 14,110,697  | -             | 8,366,250   | 53,820,996                                  |
| 2034                                     | -  | 7,011,250                                       | 19,267,181  | 1,093,444   | 14,645,547  | \$3,500,000   | 8,366,250   | 53,883,672                                  |
| 2035                                     | -  | 6,998,250                                       | 16,594,838  | 418,288   | 15,196,946  | 4,955,000     | 8,191,250   | 52,354,571                                  |
| 2036                                     | -  | -   | 19,637,913  | 418,276   | 15,773,774  | 5,200,000     | 7,943,500   | 48,973,463                                  |
| 2037                                     | -  | -   | 18,865,350  | 418,218   | 16,369,631  | 5,465,000     | 7,683,500   | 48,801,699                                  |
| 2038                                     | -  | -   | 17,435,050  | -   | 16,973,257  | 5,735,000     | 7,410,250   | 47,553,557                                  |
| 2039                                     | -  | -   | 16,412,650  | -   | 17,603,672  | 6,020,000     | 7,123,500   | 47,159,822                                  |
| 2040                                     | -  | -   | 15,731,850  | -   | 18,254,278  | 6,325,000     | 6,822,500   | 47,133,628                                  |
| 2041                                     | -  | -   | 14,651,600  | -   | 18,938,674  | 6,640,000     | 6,506,250   | 46,736,524                                  |
| 2042                                     | -  | -   | 15,168,950  | -   | 17,009,982  | 6,970,000     | 6,174,250   | 45,323,182                                  |
| 2043                                     | -  | -   | 16,465,800  | -   | -   | 7,320,000     | 5,825,750   | 29,611,550                                  |
| 2044                                     | -  | -   | 16,468,600  | -   | -   | 7,685,000     | 5,459,750   | 29,613,350                                  |
| 2045                                     | -  | -   | 8,665,400   | -   | -   | 8,070,000     | 5,075,500   | 21,810,900                                  |
| 2046                                     | -  | -   | 8,666,000   | -   | -   | 8,475,000     | 4,672,000   | 21,813,000                                  |
| 2047                                     | -  | -   | 8,665,400   | -   | -   | 8,900,000     | 4,248,250   | 21,813,650                                  |
| 2048                                     | -  | -   | 8,663,200   | -   | -   | 9,340,000     | 3,803,250   | 21,806,450                                  |
| 2049                                     | -  | -   | 4,449,000   | -   | -   | 9,810,000     | 3,336,250   | 17,595,250                                  |
| 2050                                     | -  | -   | 4,450,800   | -   | -   | 10,300,000    | 2,845,750   | 17,596,550                                  |
| 2051                                     | -  | -   | 4,451,200   | -   | -   | 10,815,000    | 2,330,750   | 17,596,950                                  |
| 2052                                     | -  | -   | -   | -   | -   | 11,355,000    | 1,790,000   | 13,145,000                                  |
| 2053                                     | -  | -   | -   | -   | -   | 11,925,000    | 1,222,250   | 13,147,250                                  |
| 2054                                     | -  | -   | -   | -   | -   | 12,520,000    | 626,000   | 13,146,000                                  |
|  | \$34,217,250                                     | \$120,374,803                                   | \$451,847,128   | \$16,148,643  | \$271,885,120   | \$167,325,000 | \$178,569,875                                       | \$1,240,367,818                             |

(1) Debt service as of the date of issuance of the 2024 Bonds. Totals may not add due to rounding.

(2) Includes principal and interest to be paid on July 1 following each period.

(3) Includes NJEFA Bonds as follows: (a) the 2011 C Bonds and (b) the 2016 C Bonds.

(4) Includes CCIA Bonds as follows: (a) the 2013 B Bonds (b) the 2020 A Bonds (c) the 2020 B Bonds and (d) the 2024 Bonds.

(5) Includes Authority Bonds as follows: (a) the 2015 A Bonds (b) the 2015 B Bonds (c) the 2015 C Bonds (d) the 2017 A Bonds (e) the 2019 Bonds and (f) the 2021 Bonds. Debt service on the 2021 Bonds is net of capitalized interest through July 1, 2024.

(6) The Public University has received funds through various NJEFA state supported programs that include the Higher Education Capital Improvement Fund Program ("Capital Improvement Fund"), Dormitory Safety Trust Program and the Higher Education Equipment Leasing Fund Program ("Equipment Leasing Fund"). The Public University's portion of debt service through the NJEFA state supported programs include the Capital Improvement Fund, Series 2002 A, Series 2014 A, Series 2016A and Series 2016B; and the Equipment Leasing Fund, Series 2014 A and Series 2023 A.

(7) Includes rent paid by the Public University under lease agreements with various entities. Includes Private Placement Debt.

(8) The 2024 Notes maturing on February 27, 2025 in the amount of \$25,605,000 are not included in debt service as they are expected to be permanently financed either through loans provided by the USDA and/or Authority bonds.

(9) Debt service on the 2024 Bonds is net of capitalized interest through January 1, 2025.

(10) Does not include the NJEDA Revenue Bonds (Provident Group – Rowan Properties L.L.C. – Rowan University Student Housing Project) Series 2015 A and B since the debt service payments thereunder are non-recourse to the Public University.

## **SECURITY FOR THE 2024 OBLIGATIONS**

### **General**

#### *2024 Bonds*

The 2024 Bonds constitute special and limited obligations of the Authority and are payable solely from and secured by the Bond Pledged Property (as defined in the Bond Indenture and described herein), subject only to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Indenture. The 2024 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the Bond Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the 2024 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the Public University to the extent of the Bond Loan Payments).

The Bond Pledged Property is defined in the Bond Indenture as: (i) the Bond Revenues; (ii) the Funds and Accounts established under the Bond Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds and Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest in the 2024 Bonds in accordance with the terms and provisions of the Bond Indenture.

The Bond Revenues are defined in the Bond Indenture as: (i) all amounts, including Bond Loan Payments, received by the Authority from the Public University under the Bond Loan Agreement; (ii) any moneys or securities held pursuant to the Bond Indenture and paid or required to be paid into the Debt Service Fund held thereunder; (iii) interest received on any moneys or Investment Securities held under the Bond Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund held pursuant to the Bond Indenture; and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

The Bond Loan Payments to be made by the Public University pursuant to the Bond Loan Agreement are equal to the amount of the principal of and interest on the 2024 Bonds due on each Bond Loan Payment Date and Redemption Price with respect to the 2024 Bonds due on any redemption date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the 2024 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Bond Loan Agreement. Pursuant to the Bond Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Bond Loan Payments to be made by the Public University to the Authority pursuant to the terms of the Bond Loan Agreement. See "SECURITY FOR THE 2024 OBLIGATIONS – Loan Agreements" herein.

The Bond Loan Payments (excluding Additional Loan Payments) include scheduled payments of principal of the 2024 Bonds (including Sinking Fund Installments, if any, and payments of principal upon maturity, earlier redemption of the 2024 Bonds or acceleration), redemption premium, if any, and scheduled payments of interest on the 2024 Bonds. Upon the occurrence of an Event of Default under the Bond Indenture, the Trustee may (and, at the direction of not less than 51% of the Holders of Outstanding 2024 Bonds, the Trustee shall) declare the principal of all Bonds then Outstanding under the Bond Indenture to be due and payable immediately.

No recourse shall be had by the Trustee or any Bondholder for any claim based on the 2024 Bonds or the Bond Indenture against any director, member, officer, agent or employee, past, present or future, of, as the case may be, the Authority or the Public University, either directly or through the Authority or the Public University, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise. No covenant, stipulation, obligation or agreement of the Authority or the Public University contained in the 2024 Bonds or the Bond Indenture or in any document to which the Authority or the Public University is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, member, officer, agent or employee of, as the case may be, the Authority or the Public University in his individual capacity, and any trustee, director, member, officer, agent or employee of, as the case may be, the Authority or the Public University executing the 2024 Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

THE 2024 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE BOND INDENTURE) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE BOND LOAN AGREEMENT) OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE BOND INDENTURE) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE BOND LOAN AGREEMENT). NEITHER THE AUTHORITY NOR THE PUBLIC UNIVERSITY HAVE TAXING POWER. THE 2024 BONDS ARE SECURED AND PAYABLE SOLELY FROM THE BOND PLEDGED PROPERTY WHICH INCLUDES BOND LOAN PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE BOND LOAN AGREEMENT, AND OTHER AMOUNTS PLEDGED TO THE 2024 BONDS.

#### *2024 Notes*

The 2024 Notes constitute special and limited obligations of the Authority and are payable solely from and secured by the Note Pledged Property (as defined in the Note Indenture and described herein), subject only to the provisions of the Note Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Note Indenture. The 2024 Notes are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the Note Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the 2024 Notes. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the Public University to the extent of the Note Loan Payments).

The Note Pledged Property is defined in the Note Indenture as: (i) the Note Revenues; (ii) the Funds and Accounts established under the Note Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds and Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest in the 2024 Notes in accordance with the terms and provisions of the Note Indenture.

The Note Revenues are defined in the Note Indenture as: (i) all amounts, including Note Loan Payments, received by the Authority from the Public University under the Note Loan Agreement; (ii) any moneys or securities held pursuant to the Note Indenture and paid or required to be paid into the Debt Service Fund held thereunder; (iii) interest received on any moneys or Investment Securities held under the Note Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund held pursuant to the Note Indenture; and (iv) any other amounts received from any other source by the Authority and

pledged by the Authority as security for the payment of a particular Series of Notes pursuant to a Supplemental Indenture.

The Note Loan Payments to be made by the Public University pursuant to the Note Loan Agreement are equal to the amount of the principal of and interest on the 2024 Notes due on the Note Loan Payment Date and Redemption Price with respect to the 2024 Notes due on any redemption date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the 2024 Notes incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Note Loan Agreement. Pursuant to the Note Loan Agreement, the Public University has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Note Loan Payments to be made by the Public University to the Authority pursuant to the terms of the Note Loan Agreement; provided, however, that, pursuant to the Note Loan Agreement, the Public University shall give the Authority and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget that does not include sufficient amounts to pay the Loan Payments due in any Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a Public University budget. See "SECURITY FOR THE 2024 OBLIGATIONS – Loan Agreements" herein.

The Note Loan Payments (excluding Additional Loan Payments) include scheduled payments of principal of the 2024 Notes (including payments of principal upon maturity, earlier redemption of the 2024 Notes or acceleration), redemption premium, if any, and scheduled payments of interest on the 2024 Notes. Upon the occurrence of an Event of Default under the Note Indenture, the Trustee may (and, at the direction of not less than 51% of the Holders of Outstanding 2024 Notes, the Trustee shall) declare the principal of all Notes then Outstanding under the Note Indenture to be due and payable immediately.

No recourse shall be had by the Trustee or any Noteholder for any claim based on the 2024 Notes or the Note Indenture against any director, member, officer, agent or employee, past, present or future, of, as the case may be, the Authority or the Public University, either directly or through the Authority or the Public University, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise. No covenant, stipulation, obligation or agreement of the Authority or the Public University contained in the 2024 Notes or the Note Indenture or in any document to which the Authority or the Public University is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, member, officer, agent or employee of, as the case may be, the Authority or the Public University in his individual capacity, and any trustee, director, member, officer, agent or employee of, as the case may be, the Authority or the Public University executing the 2024 Notes shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

**THE 2024 NOTES ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE NOTE INDENTURE) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE NOTE LOAN AGREEMENT) OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE NOTE INDENTURE) AND THE PUBLIC UNIVERSITY (TO THE LIMITED EXTENT SET FORTH IN THE NOTE LOAN AGREEMENT). NEITHER THE AUTHORITY NOR THE PUBLIC UNIVERSITY HAVE TAXING POWER. THE 2024 NOTES ARE SECURED AND PAYABLE SOLELY FROM THE NOTE PLEDGED PROPERTY WHICH INCLUDES NOTE LOAN PAYMENTS RECEIVED FROM THE PUBLIC UNIVERSITY PURSUANT TO THE NOTE LOAN AGREEMENT, AND OTHER AMOUNTS PLEDGED TO THE 2024 NOTES.**

## **Loan Agreements**

### *2024 Bonds*

The Authority and the Public University have entered into the Bond Loan Agreement in order to secure the 2024 Bonds. Pursuant to the terms of the Bond Loan Agreement, the Public University is required to make Bond Loan Payments to the Authority on each Bond Loan Payment Date described therein in an amount equal to the Debt Service payable on the 2024 Bonds on the immediately succeeding Bond Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, subject to a credit for investment earnings and certain other amounts received by the Trustee as provided therein. Bond Loan Payment Dates occur thirty (30) days prior to each Bond Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as applicable. In addition, the Public University is required to make Additional Loan Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The obligation of the Public University to pay Bond Loan Payments provided for in the Bond Loan Agreement and to perform its obligations under the Bond Loan Agreement is absolute and unconditional and is a general unsecured obligation of the Public University payable from legally available funds of the Public University. The obligation of the Public University to pay Bond Loan Payments is enforceable regardless of whether Bond Loan Payments have been budgeted for by the Public University. See "APPENDIX C-1 — FORMS OF BOND INDENTURE AND BOND LOAN AGREEMENT" for a more complete description of the provisions of the Bond Loan Agreement.

An Event of Default under the Bond Loan Agreement shall not give rise to an Event of Default under the Note Indenture.

### *2024 Notes*

The Authority and the Public University have entered into the Note Loan Agreement in order to secure the 2024 Notes. Pursuant to the terms of the Note Loan Agreement, the Public University is required to make Note Loan Payments to the Authority on the Note Loan Payment Date described therein in an amount equal to the Debt Service payable on the 2024 Notes on the Maturity Date or Redemption Date, as the case may be, subject to a credit for investment earnings and certain other amounts received by the Trustee as provided therein. Note Loan Payment Dates occur thirty (30) days prior to the Maturity Date or Redemption Date, as applicable. In addition, the Public University is required to make Additional Loan Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The obligation of the Public University to pay Note Loan Payments provided for in the Note Loan Agreement and to perform its obligations under the Note Loan Agreement is absolute and unconditional and is a general unsecured obligation of the Public University payable from legally available funds of the Public University. The obligation of the Public University to pay Note Loan Payments is enforceable regardless of whether Note Loan Payments have been budgeted for by the Public University. See "APPENDIX C-2 — FORMS OF NOTE INDENTURE AND NOTE LOAN AGREEMENT" for a more complete description of the provisions of the Note Loan Agreement.

An Event of Default under the Note Loan Agreement shall not give rise to an Event of Default under the Bond Indenture.

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## BOND INSURANCE FOR THE 2024 BONDS

### **Bond Insurance Policy**

Concurrently with the issuance of the 2024 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the 2024 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2024 Bonds when due as set forth in the form of the Policy included as Appendix F to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2024 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2024 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2024 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2024 Bonds, nor does it guarantee that the rating on the 2024 Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$500.0 million, \$230.7 million and \$269.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2024 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2024 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2024 Bonds, whether at the initial offering or otherwise.

## **BONDHOLDERS' RISKS**

*The following is a discussion of certain risks that could affect payments to be made by the Public University with respect to the Series 2024 Obligations. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2024 Obligations should analyze carefully the information contained in this Official Statement,*

*including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described herein.*

## **General**

The 2024 Obligations are special and limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreements and from certain funds held by the Trustee pursuant to the Indentures. No representation or assurance can be given to the effect that the Public University will generate sufficient revenues to meet the Public University's payment obligations under the Loan Agreements. Future legislation, regulatory actions, economic conditions, changes in the number of students in attendance at the Public University, changes in the level of the State's appropriation, inability to achieve fund-raising goals, changes in the level of grants and contracts or other factors could adversely affect the Public University's ability to generate such revenues. Neither the Underwriter nor the Authority has made any independent investigation to the extent, if any, to which any such factors will have an adverse impact on the revenues of the Public University.

## **Covenant to Maintain Tax-Exempt Status of the 2024 Obligations**

The tax-exempt status of the 2024 Obligations is based on the continued compliance by the Authority and the Public University with certain covenants contained in the Indentures, the Loan Agreements, and certain other documents executed by the Authority and the Public University. These covenants relate generally to restrictions on use of facilities financed with proceeds of the 2024 Obligations, arbitrage limitations, rebate of certain excess investment earnings to the federal government and restrictions on the amount of issuance costs financed with the proceeds of the 2024 Obligations. Failure to comply with such covenants could cause interest on the 2024 Obligations to become subject to federal income taxation retroactive to the date of issuance of the 2024 Obligations.

## **Tax Law Proposals**

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax-exempt treatment of interest on certain qualified private activity bonds, could significantly change the individual and corporate income tax rates, could eliminate the alternative minimum tax for individuals and corporations, and could affect the market value of the 2024 Obligations. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Further, any reduction or elimination of the tax exempt status of qualified private activity bonds could have an adverse effect on the Public University's ability to access the capital markets to finance future needs by reducing market demand for such obligations or materially increasing the Public University's borrowing costs.

## **Changes in Laws**

The information presented in this Official Statement is based on the laws and regulations of the United States of America and the State and related court and administrative law decisions in effect as of the date of this Official Statement (collectively, the "Laws"). In addition, the opinions delivered in connection with the issuance of the Series 2024 Obligations are based on the Laws. No assurance can be given as to the impact, if any, future events, regulations, legislation, court decisions or administrative decisions may have with respect to the Laws or that any or all of the Laws will remain in effect during the entire terms of the Series 2024 Obligations.

## **Enforceability of and Realization Under Remedies**

The remedies available to Bondholders and Noteholders upon an Event of Default under the Indentures, or the Loan Agreements are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Indentures and the Loan Agreements may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the 2024 Obligations will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

## **Suitability of Investment – Marketability**

An investment in the Series 2024 Obligations involves a certain degree of risk and the Series 2024 Obligations are not suitable investments for all persons. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Series 2024 Obligations before considering such a purchase.

It is expected that the Underwriter will engage in secondary market transactions with respect to the Series 2024 Obligations. However, the Underwriter are not obligated to repurchase Series 2024 Obligations from any holder thereof. There is no assurance that a secondary market for the Series 2024 Obligations will develop or that Bondholders who wish to sell Series 2024 Obligations prior to the stated maturity will be able to do so.

## **Enrollment**

The Public University's student enrollment is a very important element in its financial performance. Although the Public University believes that such factors as the ratio of the number of applications received to available places, the number of accepted students who enroll, the academic qualifications of admitted students, the effectiveness of the Public University's student recruitment efforts and general demographic trends, in addition to the strength of its academic programs, faculty and facilities, may cause the demand for its educational programs to remain stable or increase, no assurance can be given that it will do so. A significant decrease in the Public University's enrollment could adversely affect the Public University's financial position and results of operations.

## **Financial Aid**

A significant percentage of the Public University's students receive financial support in the form of federally supported loans and scholarships and grants from the Public University. There can be no assurance that the amount of federally supported loans or other financial aid will remain stable or increase in the future. If the amount of such loans or other financial aid decreases in the future, there can be no assurance that the Public University will be able to increase the amount of financial aid provided by it. Any reduction in the availability of financial aid would likely adversely affect the Public University's enrollment. Any significant decrease in enrollment could adversely affect the Public University's financial position and results of operations.

## **Competition**

There are a wide variety of small, medium and large colleges and universities located in the State and throughout the United States with which the Public University competes for students and that may prove attractive to students considering attending the Public University. Increased competition for the limited

number of qualified students by other educational institutions, some of which may have greater resources than the Public University and which may offer comparable programs at lower prices, could adversely affect the ability of the Public University to maintain or increase enrollment, or could adversely affect the ability of the Public University to attract qualified faculty and other staff.

## **Tuition**

A portion of the Public University's operating revenues is provided through tuition and related fees. Although the Public University in the past has been able to raise tuition and related fees without adversely affecting enrollment, there can be no assurance that it will continue to be able to do so in the future. Future tuition increases could adversely affect enrollment, which could adversely affect the Public University's financial position and results of operations. Additionally, increases in tuition have not always, and may not in the future, result in increased net revenues for the Public University, because the increase in discounts in the form of scholarships and grants that must be given to attract qualified students may more than offset the increase in tuition.

## **Gifts, Grants and Bequests**

The Public University annually solicits gifts and bequests for both current operating purposes and other needs. In addition, the Public University receives various grants from private foundations and from agencies of the federal government. There can be no assurance that the amount of gifts, grants and bequests received by the Public University will remain stable or will not decrease in the future.

## **Risks as Employer**

The Public University is a large employer, combining a complex mix of full-time faculty, part-time faculty, administrative, technical and clerical support staff, executive officers and other professional staff and other types of workers in a single operation. As with all large employers, the Public University bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

## **Cybersecurity Risk**

In the course of its operations, the Public University collects and stores personally identifiable information, including, but not limited to, social security numbers, educational records and financial information. The Public University also develops, maintains and/or stores, as applicable, intellectual property such as research data.

Like all institutions of higher education, the Public University could be subject to cyber intrusion through hacking, malware and/or email scams. Cyber intrusion could lead to (i) data breaches requiring breach notification, (ii) denial of service (e.g., network, system, application or data), (iii) loss of intellectual property and data, (iv) harm to the Public University's brand or reputation, (v) life/health safety impacts and/or (vi) financial loss. The Public University takes steps to prevent, detect and respond to cyber intrusion. [Further, the Public University maintains cyber insurance coverage to protect against data breaches and other cyber events.] However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be disguised or difficult to detect, or may be designed to remain dormant until a triggering event occurs, the Public University may be unable to anticipate these techniques or implement adequate preventative measures. In addition, no assurance can be

given that the insurance coverages maintained by the Public University would be sufficient to cover all losses and liability resulting from data breaches or other cyber events.

### **Risks Not Covered By Insurance**

Although the Public University maintains a program of insurance to protect against certain operating and other risks, not all risks are insured or insurable (for example, losses as a result of certain litigation), and disputes may develop over insured risks. In addition, there can be no assurance that such insurance coverage will be available in the future at all or on commercially reasonable terms or at commercially reasonable rates. If certain operating risks occur, or if there is a total or partial loss of some or all Public University facilities, there can be no assurance that the proceeds of the applicable insurance policies will be adequate to cover lost revenues, increased expenses, or the cost of repair or replacement. Any of the foregoing events could materially adversely affect the Public University's financial condition.

### **Public Health Emergencies**

Although the global pandemic known as "COVID-19" has abated, there can be no assurance that a future outbreak of COVID-19 or a similar public health emergency may not occur in the future. If and to the extent that any such public health emergency occurs, no assurances can be given as to the economic or operational effects of such public health emergency on the Public University and its enrollment or operations. Any such future public health emergency could materially adversely affect the Public University's financial condition.

### **Other Risk Factors**

In the future, the following factors, among others, may adversely affect the revenues or operations of the Public University to an extent that cannot be determined at this time.

- (i) Changes in the demand for higher education in general or for programs offered by the Public University in particular.
- (ii) A decline in the demographic pool of candidates who may elect to attend the Public University.
- (iii) Loss of accreditation for the Public University or key academic programs.
- (iv) Higher interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures or working capital purposes.
- (v) Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations.
- (vi) Increased costs and/or decreased availability of student loan funding and other financial aid.
- (vii) Increased costs and decreased availability of public liability insurance.
- (viii) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.
- (ix) Changes in management, personnel or the administration of the Public University, or in the Public University's strategic focus.

(x) Cost and availability of energy.

(xi) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the Public University to its employees.

(xii) The occurrence of natural disasters, including floods, hurricanes and similar events, which might damage the facilities of the Public University, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.

(xiii) The occurrence of health emergencies and related crises management and containment issues arising from unforeseen large-scale outbreaks of transmittable diseases and other contagions affecting students, faculty, staff and campus visitors which may impair the ability of the Public University to enroll and retain students, operate its facilities and produce revenues.

(xiv) Reduced future University net revenues as a result of a need to increase tuition discounting to attract students.

(xv) Reduced ability to attract future annual operating contributions or capital campaign contributions, that may limit future projects or the ability to address deferred maintenance and/or the support of expenses related to faculty salaries, tuition discounting or additional programs.

(xvi) An inability to retain students, resulting in enrollment losses and reduced revenues.

(xvii) Deterioration in the credit or securities markets generally, decreases in market valuations of Public University endowment or other investments, or adverse performance results in specific investments which the Public University has made.

(xviii) Reduced ability to attract future annual or capital campaign contributions, that may limit future projects and/or the ability to address deferred maintenance.

(xix) Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

## **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

### **Creation and Powers**

The Authority is a public body corporate and politic of the State and was created by a resolution of the Board of Commissioners pursuant to the Act.

The Authority has broad powers under the Act including, among others, the following: to sue and be sued; to enter into leases and contracts; to acquire property by any lawful means, including the exercise of the power of eminent domain; to hold, operate and administer its property; to issue its negotiable bonds and to secure their payment and the rights of holders thereof under a bond resolution; to enter into contracts; to charge and collect charges for use of its facilities and to revise such charges which the Act requires to be charged such that the revenues of the Authority will at all times be adequate to pay all administrative expenses, to pay punctually the principal of and interest on any bonds, to maintain reserves and sinking funds therefor, as may be required by the terms of any contracts with Bondholders and Noteholders and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was established for, among other purposes, the purpose of providing for the construction of public buildings, transportation facilities, the acquisition of equipment and the acquisition

of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreational/entertainment centers, low and moderate income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities.

The Authority's mailing address is 109 Budd Boulevard, Woodbury, New Jersey 08096.

## **Management**

The governing body of the Authority consists of five members appointed by the Board of Commissioners. The Authority's staff is supervised by the Executive Director. The governing body of the Authority adopted a resolution on February 16, 2017 appointing George D. Strachan as Executive Director. The present members of the governing body of the Authority, their offices and the expiration dates of their terms as members are as follows:

| <b><u>Name</u></b>    | <b><u>Office</u></b> | <b><u>Expiration of Term</u></b> |
|-----------------------|----------------------|----------------------------------|
| Charles Fentress      | Chairperson          | February 1, 2025                 |
| Paul Medany           | Vice Chairperson     | February 1, 2028                 |
| Paul W. Lenkowski     | Secretary/Treasurer  | February 1, 2026                 |
| Gregory Ferretti      | Asst. Sec./Treasurer | February 1, 2027                 |
| Charles Della Vecchia | Commissioner         | February 1, 2029                 |

## **TAX MATTERS**

### **Federal**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, assuming continuing compliance by the Authority and the Public University with their respective tax covenants described below, under existing law, interest on the 2024 Obligations is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2024 Obligations received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2024 Obligations, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has assumed continuing compliance by: (i) the Authority with the covenants contained in the Indentures, the Loan Agreements and in the Joint Tax Certificate ("Tax Certificate") delivered by the Authority and the Public University upon the delivery of the 2024 Obligations; and (ii) the Public University with the covenants contained in the Loan Agreements and the Tax Certificate, that each will comply with the applicable requirements of the Code. These covenants relate to, *inter alia*, the use and investment of proceeds of the 2024 Obligations and rebate to the United States Treasury of

specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the Public University to comply with such covenants could result in the interest on the 2024 Bonds and/or the 2024 Notes being subject to federal income tax retroactive to the respective dates of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the 2024 Obligations that may affect the tax-exempt status of the interest thereon.

Ownership of the 2024 Obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit and to individuals and families that qualify for a premium assistance credit under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the 2024 Obligations constitutes disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the 2024 Obligations is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the 2024 Obligations.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. Neither the 2024 Bonds nor the 2024 Notes are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2024 Obligations should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

## **New Jersey**

Bond Counsel is also of the opinion that interest on the 2024 Obligations and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value or marketability of the 2024 Obligations. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the 2024 Obligations.

PROSPECTIVE PURCHASERS OF THE 2024 OBLIGATIONS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE 2024 OBLIGATIONS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

### **CONTINUING DISCLOSURE**

Consistent with the requirements of Rule 15c2-12 ("Rule") of the Securities Exchange Act of 1934, as amended and supplemented, on the date of delivery of the 2024 Obligations, the Public University will enter into a Disclosure Dissemination Agent Agreement ("Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C., as dissemination agent, a form of which is attached hereto as APPENDIX "D", for the benefit of the holders of the 2024 Obligations pursuant to which the Public University will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12. Specifically, the Public University will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Public University ("Annual Report"), and to provide notices of the occurrence of certain enumerated events. The financial information to be provided in each Annual Report generally will be consistent with the information set forth in "APPENDIX B – INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022" hereto. The operating data to be provided in each Annual Report will be the financial and statistical information set forth in "APPENDIX A – INFORMATION REGARDING THE PUBLIC UNIVERSITY" hereto. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the Continuing Disclosure Agreement.

The Annual Report will be provided for each fiscal year of the Public University commencing with the fiscal year ended June 30, 2023. The Annual Report will be filed, or caused to be filed, by the Public University with the Municipal Securities Rulemaking Board ("MSRB") in electronic format as prescribed by the MSRB on the MSRB's Electronic Municipal Market Access system ("EMMA") found at <http://emma.msrb.org>. Audited financial statements of the Public University will be provided to the MSRB, via EMMA, when available.

The Public University has entered into previous undertakings in respect of various other bond issues. In connection with certain of such bond issues, the Public University failed to timely file a material event notice with respect to the Parking License Agreement entered into by and between the Authority and the Public University dated as of May 1, 2019, wherein the Public University agreed to pay a monthly license fee beginning on the date the parking facility commences business operations, which has not yet occurred. The Public University filed the material event notice with respect to the above on July 8, 2020. The Public University has entered into an agreement with Digital Assurance Certification, L.L.C. to ensure timely filing on a going-forward basis.

### **PLEDGE OF THE STATE NOT TO LIMIT POWERS OF THE AUTHORITY OR RIGHTS OF BONDHOLDERS AND NOTEHOLDERS**

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to perform and fulfill the terms of any agreement made with

holders of obligations of authorities, or in any way impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

## **NEGOTIABILITY OF THE 2024 OBLIGATIONS**

Section 24 of the Act, *N.J.S.A. 40:37A-67*, provides that any bond or obligation issued pursuant to the Act shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State and each holder or owner of such bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said negotiable instruments law.

## **THE 2024 OBLIGATIONS NOT A DEBT OR LIABILITY OF THE STATE**

The 2024 Obligations shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of: (i) the Authority, which has no taxing power, the obligation of which is limited to the Pledged Property; and (ii) the Public University to the extent of its Bond Loan Payments and Note Loan Payments to which the Public University has pledged its general corporate credit in an amount sufficient to provide for payment as is needed to pay, when due, the principal of and interest on the 2024 Bonds and 2024 Notes, respectively.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Authority, the Public University should be considered with reference to Chapter 9 of the United States Bankruptcy Code ("Bankruptcy Code"), 11 U.S.C. §§901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court ("Bankruptcy Court") to adjust the debts of the municipality, provided that the municipality is authorized to file a Chapter 9 bankruptcy petition by state law or by a governmental officer or organization empowered by state law to authorize the municipality to be a Chapter 9 debtor. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Authority OR the Public University file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the 2024 Obligations, the Holders of the 2024 Obligations would be considered creditors and would be bound by the municipality's plan of adjustment of its debts.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Authority and the Public University, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained the approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. §903, specifically provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent

to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE PUBLIC UNIVERSITY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE 2024 OBLIGATIONS.

### **APPROVAL OF LEGAL PROCEEDINGS**

Legal matters incident to the authorization and the issuance by the Authority of the 2024 Obligations are subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by its counsel, John A. Alice, Woodbury, New Jersey, for the Public University by Melissa Wheatcroft, Esquire, General Counsel to the Public University, and by Gibbons P.C., Newark, New Jersey, special counsel to the Public University, and for the Underwriters (as hereinafter defined) by their counsel, Obermayer Rebmann Maxwell & Hippel LLP, Mount Laurel, New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the 2024 Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction.

### **LEGALITY FOR INVESTMENT**

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business; (iii) all insurance companies, insurance associations and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the 2024 Obligations, and that such obligations are authorized security for any and all public deposits.

### **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), have assigned ratings of "A2" and "A", respectively, to the 2024 Bonds, based upon the credit of the Public University. S&P is also expected to assign a ratings of "AA" to the 2024 Bonds conditioned upon the issuance of the Policy by BAM for the 2024 Bonds.

Moody's and S&P have also assigned ratings of "MIG 1" and "SP-1", respectively, to the 2024 Notes, based upon the credit of the Public University.

An explanation of the significance of such ratings for the 2024 Bonds or the 2024 Notes may be obtained from Moody's and S&P, as applicable.

The ratings of the 2024 Bonds and the ratings of the 2024 Notes reflect only the respective views of Moody's and S&P and neither the Public University nor the Authority make any representations as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both of such rating companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2024 Obligations.

## **UNDERWRITING**

### *2024 Bonds*

The 2024 Bonds are being purchased from the Authority by Stifel, Nicolaus & Company, Incorporated, as senior managing underwriter, acting on its own behalf and on behalf of BofA Securities, Inc., Raymond James & Associates, Inc. and Siebert Williams Shank & Co., LLC, as co-managing underwriters (collectively, the "Bond Underwriters"). Pursuant to a Bond Purchase Agreement ("Bond Purchase Agreement"), the Bond Underwriters have agreed to purchase the 2024 Bonds at an aggregate purchase price of \$182,081,444.19 (representing the aggregate principal amount of the 2024 Bonds less an underwriting discount of \$382,873.11 and plus original issue premium of \$15,139,317.30).

The Bond Purchase Agreement provides that the Bond Underwriters will purchase all of the 2024 Bonds if any 2024 Bonds are purchased.

The Bond Underwriters may offer and sell the 2024 Bonds to certain dealers (including dealers depositing such 2024 Bonds into investment trusts) at yields higher than the public offering yields stated on the inside cover page hereof.

### *2024 Notes*

The 2024 Notes are being purchased from the Authority by the Raymond James & Associates, Inc. ("Note Underwriter" and, collectively with the Bond Underwriters, the "Underwriters"). Pursuant to a Note Purchase Agreement ("Note Purchase Agreement" and with the Bond Purchase Agreement, the "Purchase Agreements"), the Note Underwriter has agreed to purchase the 2024 Notes at a purchase price of \$25,666,364.36 (representing the aggregate principal amount of the 2024 Notes plus a premium of \$132,121.80, less an Underwriter's discount of \$70,757.44).

The Note Purchase Agreement provides that the Note Underwriter will purchase all of the 2024 Notes if any 2024 Notes are purchased.

The Note Underwriter may offer and sell the 2024 Notes to certain dealers (including dealers depositing such 2024 Notes into investment trusts) at yields higher than the public offering yields stated on the inside cover page hereof.

### *General*

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Public

University or the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Public University or Authority. The Underwriters do not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The obligations of the Underwriters to make such purchases, as applicable, are subject to certain terms and conditions set forth in the Purchase Agreements, including but not limited to the receipt of certain legal opinions and certain other conditions. The initial public offering prices of the 2024 Obligations may be changed, from time to time, by the Underwriters. The Purchase Agreements provide that the Underwriters may offer and sell the 2024 Obligations to certain dealers (including dealers depositing such 2024 Obligations into unit investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the public offering prices stated on the inside front cover page of this Official Statement.

BofA Securities, as one of the Underwriters of the 2024 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the 2024 Bonds.

## **MUNICIPAL ADVISOR**

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor (the "Municipal Advisor") to the Public University and the Authority with respect to this transaction. The Municipal Advisor is not obligated to undertake, and have not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **LITIGATION**

### **The Authority**

There is no litigation pending or, to the knowledge of the Authority, threatened, seeking to restrain or enjoin the issuance or delivery of the 2024 Obligations or questioning or affecting the validity of the 2024 Obligations or the proceedings or authority under which the 2024 Obligations are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened, which in any manner questions the right of the Authority to adopt the Resolutions, to enter into the Indentures or the Loan Agreements or to secure the 2024 Obligations in the manner herein described.

### **The Public University**

There is no litigation pending or, to the knowledge of the Public University, threatened, contesting the Public University's ability to enter into the Loan Agreements or the Continuing Disclosure Agreement or the validity of the 2024 Obligations or the ability of the Public University to perform its obligations under the Loan Agreements or the Continuing Disclosure Agreement, nor is there any litigation pending or, to the knowledge of the Public University, threatened, which, if adversely determined, would materially adversely affect the financial condition or operation of the Public University, the transactions contemplated by this Official Statement or the validity of the 2024 Obligations or the Loan Agreements.

## **INDEPENDENT AUDITORS**

The financial statements of the Public University as of and for the years ended June 30, 2023 and 2022, included in APPENDIX B to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report appearing in APPENDIX B to this Official Statement.

## **APPENDICES**

APPENDIX A to this Official Statement consists of certain information concerning the Public University which has been provided by the Public University from public documents of the Public University and from other public or official documents or publications which are referred to therein. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

APPENDIX B to this Official Statement consists of the Independent Auditors' Report and Audited Financial Statements of the Public University as of and for the fiscal years ended June 30, 2023 and 2022 which have been provided by the Public University. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

APPENDIX C-1 to this Official Statement consists of the forms of Bond Indenture and Bond Loan Agreement.

APPENDIX C-2 to this Official Statement consists of the forms of Note Indenture and Note Loan Agreement.

APPENDIX D to this Official Statement consists of the form of the Public University Continuing Disclosure Agreement.

APPENDIX E-1 to this Official Statement consists of the form of Opinion of Bond Counsel for the 2024 Bonds.

APPENDIX E-2 to this Official Statement consists of the form of Opinion of Bond Counsel for the 2024 Notes.

APPENDIX F to this Official Statement consists of the Specimen Municipal Bond Insurance Policy for the 2024 Bonds.

## **CERTAIN RELATIONSHIPS**

Parker McCay P.A., Bond Counsel to the Authority, from time to time provides legal services to the Underwriters in matters unrelated to the 2024 Obligations.

## **MISCELLANEOUS**

The execution and delivery of this Official Statement has been duly authorized by the Authority and approved by the Public University. Certain information contained in the Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the 2024 Obligations. Any statements made in this Official Statement

involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Public University or the Authority since the date hereof.

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The execution and delivery of this Official Statement have been duly authorized by the Authority and approved by the Public University.

**THE GLOUCESTER COUNTY IMPROVEMENT  
AUTHORITY**

By: /s/ Charles Fentress  
Charles Fentress, Chairman

**ROWAN UNIVERSITY**

By: /s/ Joseph F. Scully, Jr.  
Joseph F. Scully, Jr.  
Senior Vice President for Finance and  
Chief Financial Officer

Dated: February 15, 2024

**APPENDIX A**

**INFORMATION REGARDING THE PUBLIC  
UNIVERSITY**

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## ROWAN UNIVERSITY

### **General Description**

Rowan University (“Rowan” or the “University”) has evolved from its humble beginning in 1923 as a normal school, with a mission to train teachers for South Jersey classrooms, to a comprehensive public research university with a strong regional reputation. In September 1923, Glassboro Normal School opened with 236 students. Over time, the institution became Glassboro State College and enrollment doubled as it became a multi-purpose institution. As new majors and a Business Administration Division were added, four divisions grew into schools and a board of trustees was formed. In 1969, Glassboro State College opened a campus in the City of Camden, New Jersey (“Camden”) to expand its educational services. In the 1980s, Glassboro State College expanded by establishing the first doctoral program among the state's public institutions and adding the Colleges of Engineering and Communication.

In July 1992, industrialist Henry Rowan and his wife, Betty, donated \$100M to the institution, then the largest gift ever to a public college or university. Later that year, Glassboro State College changed its name to Rowan College of New Jersey to recognize its benefactors' generosity. The Rowans' only request was that the College of Engineering adopt a curriculum that would address the shortcomings of engineering education. Rowan College of New Jersey achieved University status in 1997 and changed its name to Rowan University. The College of Engineering quickly earned national accolades for its successful curriculum.

In 2012, Rowan founded Cooper Medical School of Rowan University (“CMSRU”) the first new medical school in New Jersey in more than 35 years and the first-ever M.D.-granting four-year program in South Jersey-in partnership with Cooper University Health Care. The medical school welcomed its first class in Fall 2012 into a new facility adjacent to Cooper University Hospital in Camden. Close to 3,000 students applied for 50 spots in the medical school's charter class, which graduated in May 2016.

On July 1, 2013, Rowan again changed dramatically when the New Jersey Medical and Health Sciences Education Restructuring Act (the “Restructuring Act”) went into effect. This act designated Rowan as New Jersey's second comprehensive public research institution, transferred the University of Medicine and Dentistry of New Jersey's School of Osteopathic Medicine to Rowan and partnered Rowan with Rutgers-Camden to create health sciences programs in the City of Camden. Through this partnership, Rowan joined a small group of other institutions in the nation to have both a D.O.-granting medical school (Rowan School of Osteopathic Medicine; subsequently renamed the Rowan-Virtua School of Osteopathic Medicine (“Rowan-Virtua SOM”)) and an M.D.-granting medical school, the previously mentioned (CMSRU). The transfer of programs gave Rowan its third campus, and also led to the creation of the Graduate School of Biomedical Sciences, with Stratford joining Glassboro and Camden, New Jersey, as home to Rowan programs.

In June 2015, a partnership was formed with Gloucester County College (now Rowan College of South Jersey, “RCSJ”) enabling students to pursue Rowan bachelor's degrees at both county

colleges or transfer seamlessly to the University after earning an associate degree and meeting certain standards. A similar relationship was then established with Burlington County College (now Rowan College at Burlington County, RCBC) to improve access to affordable four-year undergraduate degrees.

Most recently in 2021, the Virtua Health College of Medicine and Life Sciences of Rowan University (“Virtua Health College”) formed as a historic new academic health partnership between Rowan and Virtua Health, South Jersey’s largest health system. The two institutions united in a vision to improve the quality, experience and capabilities of health care for all people, advance research for the discovery of new treatments, break down barriers of inequality and access to care, and improve health and well-being of all. Significant resources have been set aside to support this joint endeavor: an \$85 million gift from Virtua Health, and additional funding dedicated by Rowan, which will help attract and expand the University’s outstanding professionals and students, as well as build a research facility on Rowan’s West Campus adjacent to the new School of Veterinary Medicine. The Virtua Health College encompasses the medical school known as Rowan-Virtua SOM; an expanded nursing and allied health professions school; a new school of translational biomedical engineering and sciences; multiple research institutes and centers; and aligned clinical practices to improve patient care and train the health care workforce, so they can be the leading caregivers of tomorrow.

Today, Rowan is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its nearly 23,000 students an outstanding education at an exceptional value.

The University’s approved degree programs as of June 30, 2023 include 98 bachelor’s degrees, 58 master’s degrees, 16 doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, the *Chronicle of Higher Education* and the website *College Factual*.

For 2023, *U.S. News & World Report* ranked Rowan #163 among national research universities and #88 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #104
- Best Colleges for Veterans – National Universities, #113
- Social Mobility – National Universities, #91

*The Chronicle of Higher Education* recognized Rowan as the nation’s 4<sup>th</sup> fastest-growing research university in the U.S. in August of 2023.

## Locations

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events, and professional opportunities in major east coast metropolises and the nation's capital.

The University has a campus in Camden. In addition to the Camden campus, the University also has two medical schools: CMSRU located in Camden and Rowan-Virtua SOM with campuses in Stratford, and Sewell, New Jersey. Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the "West Campus" was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey ("Inspira"). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine ("Shreiber SVM") building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.



## **Mission and Planning**

**Mission** - Rowan University will become a new model for higher education by being inclusive, agile, and responsive, offering diverse scholarly and creative educational experiences, pathways, environments, and services to meet the needs of all students; maintaining agility by strategically delivering organizational capacity across the institution; and responding to emerging demands and opportunities regionally and nationally.

The University achieves its mission through four strategic pillars:

### **Access**

The University is committed to expanding quality educational opportunities for students by increasing our enrollment capacity; supporting student success; utilizing an increasing array of pedagogies and platforms; and creating new pathways to undergraduate, graduate, post-graduate, and professional studies.

### **Affordability**

The University is committed to keeping education affordable by managing costs; diversifying our revenue streams; reducing student debt; limiting tuition increases to the rate of inflation as measured by the consumer price index; and enhancing internship and employment opportunities for our students and graduates.

### **Quality**

The University is committed to providing rigorous, experiential, and engaging educational experiences; support for scholarly, creative, and research activities; a vibrant and healthy campus life; a rich intellectual, cultural, and artistic environment; and a safe, supportive, and inclusive culture that respects and values the diversity of all of its members.

### **Economic Engine**

The University is committed to benefiting our local and state communities by making every effort to partner with and invest in regional businesses and organizations that contribute in meaningful ways to furthering our mission; preparing an educated citizenry and skilled workforce; enhancing the health of our citizens and the quality of life; and developing innovative products, services, and ideas.

**Planning** – The University engages in continuous strategic planning in response to the dynamic context of higher education. A concise planning framework is utilized that identifies key external and internal factors that shape the strategic direction of the University, sets long-term goals, articulates operational values, and identifies key performance indicators. At the center of the plan are the four strategic pillars: access, affordability, quality, and Rowan's role as an economic engine for the region. The four pillars express the University's priorities and guide planning and resource allocation.

The functional groups involved in design and execution of the strategic plan include the Board of Trustees, the Executive Cabinet, the Extended Cabinet, and the Deans' Council. The University

Senate and University Budget and Planning Committee are representative bodies charged with engaging the campus community in the strategic planning process. The President annually charges a set of strategic planning subcommittees with evaluating and advancing institutional priorities.

## **Institutional Status**

Rowan was designated as a university by the New Jersey Commission on Higher Education in 1997. In 2012, the Restructuring Act designated Rowan as the second comprehensive public research university of the State of New Jersey (the “State”), effective July 1, 2013. The University’s Carnegie Classification was changed to Doctoral University – Moderate Research Activity by the Carnegie Classification of Institutions of Higher Education® effective September 2016 and then to Doctoral Universities: High Research Activity (R2) in December 2018.

## **Campus Facilities**

### **Glassboro:**

A new two-story, 7,500 square foot addition to Wilson Hall, home to the College of Performing Arts, was completed in the fall of 2022. The new addition houses the Department of Dance.

Construction of Discovery Hall, an approximately 68,000 square foot building which includes additional laboratories, classrooms and permanent space for the staff and faculty of the School of Earth and Environment and the College of Science & Mathematics, was completed in September 2021.

Rowan Hall is an 88,000 square foot state-of-the-art engineering building that includes classrooms, laboratories, and a 115-seat lecture hall, as well as the Dean’s Office. Construction of an adjoining, 90,500 square foot wing for Rowan Hall, called Engineering Hall, was completed in January 2017.

Construction of a new, 98,290 square foot home for the Rohrer College of Business was completed in December 2016. It houses the Rohrer College of Business, the Center for Professional Development, and Hatch House (a co-working space), in addition to 14 classrooms, 10 "specialty" rooms, 7 conference rooms and 85 offices for faculty and administrators on upper floors.

301 High Street is a three-story, approximately 15,000 square foot building which opened in the fall of 2015. It features a gleaming new University art gallery and is home to the Department of Public Relations & Advertising within the College of Communication & Creative Arts. It also features classrooms, faculty offices, computer labs, and student lounge spaces.

Science Hall, a 140,000 square feet science building, includes classroom and other instructional space, teaching laboratories, research laboratories for faculty and students, offices, meeting and clerical space. The building supports programs in Physics and Astronomy, Biological Sciences, and Chemistry and Biochemistry, and has enabled existing programs to be further developed. Science Hall also features a full-scale planetarium and observatory.

James Hall is a three-story, 135,000 square foot building which is home to the College of Education. The building houses state-of-the-art classrooms and technology, and it includes an early education program with observation and classroom participation opportunities for education students. The building design also incorporates many new energy savings and management features.

Savitz Hall, a 60,153 square foot building, is the site of all primary student services, including the offices of the Vice President for Student Life and Dean of Students, Admissions, Residence Life, the Bursar, Financial Aid, the Educational Opportunity Fund and Minority Achievement Programs, and Multicultural Affairs. Savitz Hall also includes the Division of Strategic Enrollment Management and houses the offices of the Senior Vice President for Student Affairs and Vice President for Enrollment and Student Success.

The Chamberlain Student Center (CSC) is a 132,245 square foot building that provides a safe, welcoming and inclusive environment for all members of the Rowan University community. The CSC is currently undergoing an expansion with the construction of a new addition. The new addition is an opportunity to enrich the social and intellectual experiences on campus by providing space to facilitate collaborative working, student work and flexible social space so students can see and be seen. The new addition includes a student and class demonstration area where students can present and demonstrate their work in an open common space for other students. The 2-story 38,500 square foot addition to the CSC is under construction and is expected to be completed in late Spring 2024.

The Glassboro Intermediate School (GIS), an existing 78,800 square foot school building one block from Main Campus, was purchased to create much needed additional space on the Glassboro Campus. The three-story facility sits on 9.52 acres fronting Delsea Drive, a major thoroughfare in the Borough of Glassboro. Following a substantial renovation of the facility, several non-student facing departments, including Purchasing, Human Resources, Accounting and Research, will relocate to GIS. The renovation of GIS is expected to be complete by spring 2025.

Campbell Library is a 140,484 square foot building that is being re-envisioned through substantial renovations to integrate technology, academic support services, research resources, and data management with reconfigured spaces, providing access to a wide range of carefully curated and upgraded electronic resources, archives, and special collections. The Campbell Library will be an Innovation Hub supporting interdepartmental partnerships and international collaboration, digital scholarship services, and first-class research infrastructure to support cutting edge research and learning environments. The renovations are projected to be completed by Summer 2026.

The Glassboro campus includes 22 additional buildings with classrooms and faculty and administrative offices. Bozorth Hall houses part of the College of Communication and Creative Arts, including classrooms, faculty offices and laboratories for writing, television, radio and film. Hawthorn Hall houses the Writing Arts and Communication Studies Departments of the College of Communication and Creative Arts. It includes classrooms and faculty offices. Bunce Hall, the first building on campus, houses administrative offices for areas of Finance, Information

Resources & Technology, as well as the College of Humanities and Social Sciences, including the Dean's Offices.

A central chiller plant provides air conditioning to many of the campus buildings. A cogeneration plant provides electricity and steam for heating and domestic hot water production for the majority of the campus buildings. In addition, the University has a 69KV electric substation to provide a reliable electric supply from the local utility company.

The University provides approximately 6,675 beds in 8 residence halls and 10 apartment communities owned by the University or privately owned and operated through public-private partnership or affiliation agreements. Included in these number are the following facilities:

- Holly Pointe Commons, a residential building that was financed and constructed through a public-private partnership with a private entity, consisting of 1,415 student beds that were built on the Glassboro campus in August 2016.
- Just off the Glassboro campus, a building complex in the Rowan Boulevard area is a private-public partnership between Rowan, private entities, and the Borough of Glassboro. Key anchors include six apartment complexes for University students, a Barnes & Noble collegiate superstore, a hotel and an academic building known as the Enterprise Center which houses the Division of Global Learning and Partnerships. The University leases the bookstore building, the apartment complex and the Enterprise Center.

### **West Campus:**

The Shreiber SVM and Rowan-Virtua School of Translational Biomedical Engineering & Science building is being constructed on the north side of West Campus. In response to an increased national demand for veterinarians, veterinary specialists and skilled technicians, Rowan has established the first school of veterinary medicine in New Jersey. Currently, there are only 33 veterinary schools in the United States. The 177,000 square foot facility will house the School of Veterinary Medicine, a veterinary hospital, laboratories and research space. The facility plans to open with students for the Fall 2025.

The South Jersey Technology Park is a two-story 45,000 square foot building located on the north side of the West Campus. The facility includes a mix of laboratories and office space for private organizations, the Henry M. Rowan School of Engineering sponsored research groups and other Rowan affiliated groups.

### **Camden:**

In 2009, Rowan acquired the historic First National Bank and Trust Company building and annex on the corner of Cooper and Broadway across the street from a building once shared with Camden County College. The 57,000 square foot building was renovated in 2016 to support additional students. The expanded academic facility will enable the Camden campus to grow to 1,200 students. As a part of the academic strategic plan, the University offers new full degree academic programs that are unique to the urban research mission of the campus.

The Medical Education Building (“MEB”) houses CMSRU. Design of the six-story, 200,000 square foot MEB was driven by the innovative curriculum, the needs of scientists, and the requirements of the medical school administration. The MEB is located adjacent to the school’s primary clinical affiliate, Cooper University Hospital, on the health campus in Camden. Space needs (small, medium, and large group classrooms, laboratories, quiet study areas, etc.) were identified and the building was programmed with these needs in mind. The facility features Active Learning Rooms, a large auditorium, a Learning Commons, a Clinical Simulation Center, and multiple floors of instructional and research lab space.

### **Stratford:**

The Rowan-Virtua SOM Campus contains four major buildings. These buildings house the Rowan University School of Osteopathic Medicine, a Graduate School of Biomedical Sciences, and portions of Rowan-Virtua SOM’s faculty practice plan (Rowan Medicine). The 120,000 square foot Academic Center contains academic and administrative offices, conference rooms, lecture halls, study rooms, laboratories, classrooms, a wellness center, a library, a cafeteria, and a television and recording studio. The 100,000 square foot Science Center includes medical laboratories, animal facilities, research labs, and research and faculty offices. The 120,000 square foot University Doctors Pavilion houses the on-site out-patient clinical practices (“Rowan Medicine”), clinical administration, faculty offices, patient procedure and treatment rooms, and teaching rooms. The University Education Center includes administrative offices, such as facilities, financial aid, public safety, information technologies and research administration. It has roughly 60,000 square feet, bringing the total of all four buildings to approximately 400,000 square feet.

### **Mantua Township:**

The Jean & Ric Edelman Fossil Park (“Fossil Park”), a 44,000 square foot museum and dig site currently under construction which will provide researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of the dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University’s School of Earth & Environment. With access to the Fossil Park, Rowan students will have an unprecedented opportunity to perform and observe research pertaining to the period of extinction of the dinosaurs. It is anticipated that each week in the Fall and Spring, elementary and middle school-aged students from the region will visit the Fossil Park to explore how fossils form and participate in a dig for 65 million-year-old fossils. Each visit to the Fossil Park will be tailored to meet the expectations of the class and to support curriculum standards. The Fossil Park is expected to be complete and open to visitors in late Spring 2024.

The new Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ. The 56,540 square foot, two-story building houses four outpatient medical clinics, a physical therapy suite, and cafeteria, office for the Dean and space for 100 students. This new building, completed in 2021, is also the home for the Rowan Integrated Special Needs (“RISN”) Center.

## **Cumberland County:**

Rowan Medicine Building – Cumberland is currently under construction. The new nearly 15,000 square foot medical facility will be dedicated to the health and psychological well-being of children and families in Cumberland County and the surrounding region. The facility will house the NeuroMusculoskeletal Institute (“NMI”), the Child Abuse Research Education and Service (“CARES”) Institute and the RISN Center Clinical Practices. Anticipated completion of the new facility is Spring 2024.

## **Academic Programs**

Below are summaries of the undergraduate and graduate degree offerings of each college, selected highlights of recent achievements, and a listing of student professional organizations.

**The William G. Rohrer College of Business** prepares students for professional business careers and growth into managerial positions and graduate study. Eight undergraduate degrees are offered: the Bachelor of Science in Accounting, Entrepreneurship, Finance, Human Resource Management, Management, Management Information Systems, Marketing, and Supply Chain Management. Minors in Business Administration, Entrepreneurship, Management Information Systems, and Marketing are also offered. The curriculum provides students with a common business core and in-depth coverage in the respective major areas. The College of Business also offers a Master of Science in Finance and Master of Business Administration (“M.B.A.”) degree with specializations in Accounting, Finance, Management, Management Information Systems, and Marketing. The College of Business also offers an M.S. in Finance designed to prepare students for financial analyst and financial planner positions in corporations and financial institutions. Coursework also helps students to prepare for the CFA (Chartered Financial Analysts) and CFP (Certified Financial Planner) exams, the premier certifications in the finance field. The M.B.A. program provides contemporary graduate business education to professionals of diverse fields and academic backgrounds, and prepares students to take leadership roles in their respective organizations. Certificates of Graduate Studies and Advanced Graduate Studies are also offered.

Student professional organizations include the American Marketing Association; Accounting Society; Beta Gamma Sigma International Honor Society; Bureau of Business Associations; Collegiate Entrepreneurs Organization; Financial Management Association; National Hispanic Business Association; New Jersey Collegiate Business Administration Association Honor Society; Society for the Advancement of Management; and the Society for Human Resource Management.

The College of Business also houses the **School of Innovation and Entrepreneurship**, which offers nationally recognized and AACSB (Association to Advance Collegiate Schools of Business – a nongovernmental organization) accredited programs including the Bachelor of Science in Entrepreneurship, Bachelor of Science in Engineering Entrepreneurship, and MBA concentrations in Entrepreneurship and Cannabis Commercialization. The School develops entrepreneurial thinking and teaches strategies for recognizing opportunities and taking action to create, finance, lead, and sustain business ventures.

**The College of Education** builds the framework for development of the knowledge, skills, and dispositions needed to foster academic achievement, social responsibility, personal responsibility, and social justice in an intellectually rigorous and challenging environment, integrating liberal arts education and professional studies. The College of Education offers the Bachelor of Arts in Education with recommendations for teacher certification in Elementary Education, Early Childhood Education, and various secondary content areas in Subject Matter Education along with a Bachelor of Arts in Inclusive Education and a Bachelor of Arts in Leadership and Social Innovation. ASPIRE to Teach provides Certificate of Eligibility teacher candidates with experiences and guidance to develop and deliver effective instruction to their students while earning their provisional licensure in New Jersey. Master's degree programs are offered in School Administration, Educational Technology, Higher Education, Reading Education, School Psychology, Special Education, STEM Education, Counseling in Educational Settings, Teacher Leadership, Teaching, and Urban Education & Community Studies. An educational specialist degree is offered in school psychology certification and the Doctor of Education (Ed.D.) degree is offered in Educational Leadership. All of these programs are accredited. In addition, the Ph.D. in Education has enrolled its fourth annual cohort.

Three centers and one clinic are part of the College of Education: The Learning Resource Center – South (“LRC-South”); the Center for Access, Success, and Equity (“CASE”); the Assessment and Learning Center; and the Reading Clinic. LRC-South is one of three teaching and learning centers across the State of New Jersey providing materials and resources that support the education of students with disabilities, helping them to succeed and achieve in the least restrictive environment. CASE is dedicated to conducting extensive research, offering professional services, and engaging in policy creation and reform, impacting the most persistent educational challenges – those which obstruct access, success, and equity in traditionally underserved communities. CASE also provides support to the Ph.D. in Education program. The Assessment and Learning Center is a service unit affiliated with the College of Education. As a state approved agency, it provides independent child study team evaluations, functional behavior assessments, reading assessments, and consultations. The Reading Clinic has existed in the College of Education for more than 80 years, serving as an instructional lab for K-12 students and providing one-on-one tutoring that is student-focused and personalized.

Active engagement in related clubs and student professional organizations enhances candidates' professional growth and preparation for careers in education. These include the Elementary Education Club, Early Childhood Education Club, and Students for Literacy Club. In addition, candidates are members of student professional organizations and honor societies such as New Jersey Student Education Association, the Association for Supervision, Curriculum, and Development, Kappa Delta Pi (International Honor Society in Education), The National Art Education Association, and Chi Sigma Iota (International Honor Society of Professional Counseling).

The College of Education is strongly committed to retaining high quality teachers and diversifying the P-20 teacher workforce. P-20 is the latest in the evolution of references to education pathways and how they align to the education profession. This term addresses pre-school (the P) all the way through to workforce and career development (the 20). To this end, in 2009 the College of

Education created multiple Rowan Urban Teacher Academy (RUTA) programs, which serve as a high school pipeline programs to attract students to work within urban and diverse learning environments. The College of Education created Project IMPACT, whose goal is to increase the representation of males from racially and ethnically diverse backgrounds in the teaching and education professions. Project IMPACT students are provided with financial assistance, experiential learning through the Men of Color Network, professional development, and academic supports as they complete their undergraduate, initial licensure preparation.

**The College of Performing Arts** at Rowan University develops artists and audiences of the future and promotes the arts as vital to humanity. Through rigorous professional preparation and liberal arts programs, the College of Performing Arts educates students in the disciplines of dance, music, and theatre and challenges them to develop a conceptual, critical, and creative perspective within the contemporary world. The College of Performing Arts creates, illuminates, and inspires audiences and community through public performances and artistic practice for the University and broader region. The College of Performing Arts houses two departments, the Department of Theater and Dance and the Department of Music.

The Theatre and Dance Department offers the following degree options: Bachelor of Arts in Theatre, with concentrations in Acting, Musical Theatre, Design/Technical, and Pre-Teaching; a Bachelor of Arts in Dance; a Master of Arts in Arts Administration; a Master of Science in Teaching – Theatre Education; and a Master of Music Education. The Music Department offers the following degree options: Bachelor of Music in Music, with concentrations in Composition, Education, Jazz Studies, Music Therapy, and Performance; Bachelor of Arts in Music; Bachelor of Science in Music Industry; and Master of Music – Performance and Jazz Studies (on line).

Student professional organizations include the National Organization for Music Education; Phi Mu Alpha Sinfonia (national fraternity of music); Sigma Alpha Iota (international music fraternity for women); Alpha Psi Omega (theatre honor society); and Grammy U (Music Industry).

**The College of Science and Mathematics** prepares students for careers in industry, research, education, health care, and public service. Dedicated to excellence in undergraduate and graduate education and research and to increasing the number of students choosing these fields of study, the College of Science and Mathematics promotes a student-centered approach to learning in a research-rich environment both inside and outside of the classroom. It is committed to providing students with outstanding degree programs in basic and applied sciences and mathematics and preparing them to function in a multi-cultural and economically interdependent world. The College of Science and Mathematics also plays an essential role in educating non-science majors.

The College of Science and Mathematics has built a research-focused curriculum in seven departments – Biological & Biomedical Sciences, Chemistry and Biochemistry, Physics and Astronomy, Computer Science, Mathematics, and Psychology. It consists of programs that offer both undergraduate and graduate degrees. Bachelor of Science degrees include Chemistry, Biochemistry, Biology, Physics, Psychological Science, Bioinformatics, Biophysics, Computer Science, Translational Biomedical Sciences, Neuroscience, and Mathematics. Bachelor of Arts degrees include Mathematics, Psychology, Chemistry, Computing & Informatics, and Physics.

Graduate programs include Master of Arts degrees in Mathematics, Applied Behavior Analysis, Clinical Mental Health Counseling and School Psychology, and Master of Science degrees in Computer Science, Data Science (formerly Data Analytics), Bioinformatics, and Pharmaceutical Sciences. Finally, nine certificates of graduate or advanced graduate study are available in several disciplines. The College of Science and Mathematics also offers a Ph.D. in Clinical Psychology, a Ph.D. in Pharmaceutical Chemistry, a Ph.D. in Complex Biological Systems, a Ph.D. in Data Science, and a Ph.D. in Materials Science & Engineering (jointly with the College of Engineering). Three of the College of Science and Mathematics's undergraduate degree programs are accredited – the Bachelor of Science in Computer Science by the Accreditation Board for Engineering and Technology ("ABET"), the Bachelor of Science in Chemistry by the American Chemical Society, and the Bachelor of Science in Biochemistry by the American Society for Biochemistry and Molecular Biology. In addition to the above degree programs, the College of Science and Mathematics also offers a Pre-Med & Health Professions program for students interested in professional programs such as medicine and dentistry. The College of Science and Mathematics runs an annual Psychology Research Conference that showcases undergraduate and graduate student research.

The College of Science and Mathematics is engaged in attracting international students to undergraduate and graduate programs as well as developing research partnerships with international scholars and collaborates with a number of internal and external partners on research projects dealing with environmental sustainability, biomedical applications, drug delivery, patient information analysis, and others.

The College of Science and Mathematics also houses the **School of Earth and Environment**. Established in 2015, the School of Earth and Environment provides students with pathways into some of the most exciting and important careers of the 21st century. Focusing on climate change, sea level rise, the degradation of our oceans, our planet's biodiversity crisis, and innovative, sustainable solutions, the school's students master the knowledge and skills necessary to become leaders among those who will restore our world. Over the school's short history, its faculty have achieved international recognition by conducting cutting-edge, externally funded research and by publishing their results in leading scholarly journals. Science communication is at the core of the School of Earth and Environment, which is closely tied to the University's STEM Center and the Fossil Park.

The School of Earth and Environment houses three departments: Geology; Environmental Science; and Geography, Planning, and Sustainability. The School of Earth and Environment offers a Bachelor of Arts in Geography, a Bachelor of Arts in Environmental & Sustainability Studies, a Bachelor of Science in Community & Environmental Planning, a Bachelor of Science in Geographic Information Science, a Bachelor of Arts and Bachelor of Science degrees in Geology, and Bachelor of Arts and Bachelor of Science degrees in Environmental Science, as well as a Master of Science in Urban and Regional Planning, and a Ph.D. in Geology.

**The College of Humanities and Social Sciences** supports Rowan's core liberal arts education with an emphasis on a 21<sup>st</sup> century professional preparation. Committed to excellence in instruction, research, and scholarship, the College's disciplines promote extensive interaction between faculty and students, attention to the individual development of critical and creative thinking, and the building of interdisciplinary educational programs at both the graduate and undergraduate level. The College's expert faculty and dedicated staff work hard to engage students in active learning both inside and outside the classroom through individual and team-based problem-solving, collaborative research, field trips, internships, simulation programs, study abroad, and peer-to-peer programming.

The College of Humanities and Social Sciences includes seven departments--English, History, Law & Justice Studies, Philosophy & World Religions, Political Science & Economics, Sociology & Anthropology, and World Languages--offering thirteen Bachelor of Arts degrees and numerous minors and certificates. The College recently gained approval for a new Bachelor of Science degree in Healthcare Management & Administration. The College also houses a Center for Interdisciplinary Studies offering Bachelor of Arts programs in Africana Studies, American Studies, Area Studies, International Studies, and Liberal Studies as well as interdisciplinary minors and certificates. In addition, the College houses the Exploratory Studies Program for students who have not yet chosen a major and the Pre-Business Program for students interested in business. These programs provide a broad and flexible foundation of knowledge, offering a convenient method for students to obtain skills relevant to a wide variety of careers or other degree programs. At the graduate level, the College of Humanities and Social Sciences offers the Master of Arts in History and the Master of Arts (in both traditional and online formats) in Criminal Justice as well as a Master of Science in Emergency and Threat Response Management, Masters of Arts degrees in Diversity & Inclusion and Holocaust & Genocide Education, and several Certificates of Graduate Study (COGS). Most recently, a new Master of Public Policy degree program has been approved.

The College of Humanities and Social Sciences focuses its efforts on three strategic Clusters of Teaching and Research Excellence: 1) Global Peace and Security; 2) Critical Citizenship and Responsibility for a Changing World; and 3) Ethical, Socio-Economic, and Environmental Impact of Science and Technology. It houses three research and teaching centers: the Hollybush Institute, created in 2007 as an academic and public affairs center inspired by the historic 1967 Glassboro summit between President Lyndon Johnson and Soviet Premier Alexei Kosygin. The Rowan Center for the Study of the Holocaust, Genocide and Human Rights was created in 2017 with a goal of becoming a leading national center in the field of Holocaust and genocide education and research. The Liberal Arts and Sciences Institute for Research and Community Service, founded in 1993, is a Center for Professional Success which helps students prepare to enter the job market by providing career development programming, support with experiential learning, and oversight of the College's Match Internship program. Finally, the College of Humanities & Social Sciences is home to numerous clubs and honors societies, such as the Pre-Law Society, which assists students with preparing for admission to law school.

**The Henry M. Rowan College of Engineering** provides programs that are responsive to regional industries, regional economic aspirations, and that address the needs and changing characteristics for leading-edge engineers of the future. The College of Engineering educates students to harness technology for the betterment of society and to serve as entrepreneurial change agents. The College of Engineering aids in the economic and cultural development of Southern New Jersey, while generating opportunities for its diverse graduates in local, national, and international industries. Ten undergraduate programs are offered, leading to Bachelor of Science degrees in Biomedical, Chemical, Civil, Electrical & Computer, Engineering Entrepreneurship, and Mechanical Engineering. The College of Engineering also offers Bachelor of Science degrees in Mechanical Engineering Technology, Electrical Engineering Technology, and Engineering Surveying Technology and a Bachelor of Arts in Construction Management. The College of Engineering offers Master of Science degrees in Biomedical, Chemical, Civil, Electrical & Computer, General, and Mechanical Engineering, along with a Master of Engineering Management and a concentration in Environmental Engineering. The College also offers an interdisciplinary Ph.D. in Engineering with five areas of specialization and a Ph.D. in Biomedical Engineering.

The Biomedical, Chemical, Civil, Electrical, and Mechanical Engineering programs are accredited by ABET, which is the recognized accreditor for college and university programs in applied science, computing, engineering, and technology. Accreditation requires a continuous improvement process in which input is received from its constituents, both external (e.g., alumni, industry, government agency) and internal (e.g., students). The College of Engineering closely monitors the improvement process and uses surveys and constituent feedback as a tool for continuous program improvement.

Research activities in the College of Engineering continue to grow and include sponsorship from federal sources such as the National Science Foundation, National Institutes of Health, Environmental Protection Agency, Department of Defense, and the Federal Aviation Administration. State sources of funds have included the New Jersey Department of Transportation, New Jersey Board of Public Utilities, New Jersey Department of Military and Veterans Affairs, New Jersey Department of Community Affairs, and the New Jersey Department of Environmental Protection. Each department has also received external support from industrial partners such as Johnson-Matthey, PSEG, Edison Ventures, Lockheed Martin, Sekisui Chemical, and Inductotherm Group.

Service learning is a hallmark of the College of Engineering, and opportunities are provided throughout the curriculum for students to engage in this element of the program. Student professional organizations that have been established to facilitate service learning include the Biomedical Engineering Society (BMES), American Institute of Chemical Engineers (AIChE), American Society of Civil Engineers (ASCE), American Society of Mechanical Engineers (ASME), Engineers without Borders (EWB), National Society of Black Engineers (NSBE), Out in Science, Technology, Engineering, and Mathematics (STEM), Society of Hispanic Professional Engineers (SHPE), Society of Women Engineers (SWE), Institute of Electrical and Electronics Engineers (IEEE), Women in Engineering (WIE), and the Tau Beta Pi National Engineering Honor Society (TBP).

**The Ric Edelman College of Communication and Creative Arts** combines theoretical, creative, and practical learning in balanced programs that prepare students for a diversity of paths in the fields of communication and art. The College of Communication and Creative Arts houses six departments: Art, Communication Studies, Journalism, Public Relations & Advertising, Radio/Television/Film, and Writing Arts. Within those departments there are eleven undergraduate majors: Advertising, Art, Art Education, Communication Studies, Journalism, Public Relations, Radio/Television/Film, Sports Communication & Media, Studio Art (Bachelor of Fine Arts), Biomedical Art and Visualization (Bachelor of Fine Arts), and Writing Arts. In addition, the College of Communication and Creative Arts is home to twelve undergraduate minors, two Master of Art programs (Strategic Communication and Writing), nine Certificates of Undergraduate Study, and six Certificates of Graduate Study.

The **Rita and Larry Salva School of Nursing and Health Professions** operates as the multidisciplinary home for current and developing health related programs. Health care and health sciences are experiencing unprecedented expansion. The need for qualified professionals with expertise and experience to engage in health professions careers continues to increase. The School of Nursing and Health Professions trains students to join the health-related professions, expands research opportunities at the University, and promotes collaboration within and beyond the University.

The School of Nursing and Health Professions consists of three departments: Nursing, Health & Exercise Science, and Allied Health. The School offers Bachelor of Arts degrees in Health Studies, Wellness Management, and Public Health & Wellness. It offers Bachelor of Science degrees in Nutrition, Exercise Science, Respiratory Therapy, and Nursing (R.N. to B.S.N.). The School also offers the Master of Arts in Wellness & Lifestyle Management, Master of Science in Athletic Training, Master of Science in Nutrition & Dietetics, and Master of Science in Nursing.

The **Rowan-Virtua School of Translational Biomedical Engineering and Sciences** was established to lead strategic expansion of academic programs in areas of research excellence including biomedical sciences, engineering, and health sciences, and to foster interdisciplinary collaboration and innovation among multiple supporting colleges and schools. To that end, the School now incorporates the former **Graduate School of Biomedical Sciences** (“GSBS”) programs and departments. GSBS had its origins as a program in the biomedical sciences in the former Seton Hall College of Medicine and Dentistry, which was established in 1956. A decade later, New Jersey consolidated medical and dental education, and GSBS became a separate school of the State’s Health Sciences University in 1969, first in Newark and subsequently expanded to campuses in Piscataway/New Brunswick and Stratford. GSBS’s July 2013 integration with Rowan expanded the school’s reputation, reach and research prowess to earn Rowan the designation of New Jersey’s second comprehensive public research institution. The School will build on this foundation to develop new, exciting interdisciplinary research, training, and education programs driven by pressing issues in health care within an agile framework.

Programs offered by the School include a Ph.D. in Biomedical Engineering, Ph.D. in Molecular Cell Biology and Neuroscience, Master of Science in Biomedical Engineering, Master of Science in Molecular Cell Biology and Neuroscience, Master of Science in Biomedical Sciences, Master of Biomedical Sciences, Master of Science in Molecular Pathology and Immunology, and Master of Science in Histopathology. Joint medical degree /Ph.D. programs provide physician engineers and scientists with the unique opportunity to not only practice medicine, but also contribute to the study of diseases and new medical treatments or to become educators of the next generation of physicians. These include dual-degree doctoral programs such as the MD/Ph.D. in Biomedical Engineering in collaboration with the Cooper Medical School of Rowan University and the DO/Ph.D. in Biomedical Engineering and DO/Ph.D. program in Molecular Cell Biology and Neuroscience in collaboration with the Rowan-Virtua School of Osteopathic Medicine. In addition, the School offers seven accelerated B.S./M.S. dual degree programs, one in Biomedical Engineering and others in Cell and Molecular Biology in partnership with the College of Science and Mathematics.

The Rita and Larry Salva School of Nursing and Health Professions, Rowan-Virtua School of Translational Biomedical Engineering and Sciences, and Rowan-Virtua School of Osteopathic Medicine together comprise the **Virtua Health College of Medicine and Life Sciences of Rowan University**, a new academic health partnership between Rowan and Virtua Health, southern New Jersey's largest health system.

**The Division of Global Learning & Partnerships**, formerly the College of Graduate and Continuing Education, is the University's vehicle for serving the adult student population. Our students include college graduates pursuing graduate education and credentials; returning college students pursuing the completion of a baccalaureate degree; employees/employers seeking professional development; and life-long learners looking for personal enrichment. The division emphasizes making quality education accessible, convenient, and affordable through delivery modes that address the vast range of adult student needs and preferences. The division administers the admissions process and provides student services for graduate students. Rowan has established a **School of Professional Studies** and a **School of Graduate Studies** as academic units within the Office of the Provost to oversee development strategy and implementation for programs offered through Global Learning & Partnerships.

**The Cooper Medical School of Rowan University** welcomed its first class of students in August 2012. CMSRU, formed through an affiliation agreement between Rowan and Cooper Health System, was the first new school of medicine in the State in over 35 years and serves as a catalyst for institutional growth for Rowan's health sciences programs. On June 25, 2009, Governor Jon Corzine signed Reorganization Plan No. 002-2009, which, among other things, provided for the transfer of specific functions and resources used by the Robert Wood Johnson Medical School of the University of Medicine and Dentistry of New Jersey ("UMDNJ") to Rowan by: (i) phasing out Robert Wood Johnson Medical School as part of UMDNJ's larger medical school system; (ii) authorizing and approving the establishment of the CMSRU to replace Robert Wood Johnson Medical School as the primary medical school in southern New Jersey; and (iii) reallocating, subject to annual appropriation, certain funds appropriated by the State Legislature from UMDNJ

to Rowan for the purpose of supporting the initial establishment of the CMSRU and the ongoing training of medical professionals in southern New Jersey.

CMSRU offers an array of healthcare-related educational programs. The core focus is the four-year curriculum leading to the M.D. degree. In addition, CMSRU offers a variety of programs designed to prepare students of all ages for careers in the health sciences, from its ongoing programs focused on bringing health sciences education to Camden's elementary school students, to summer programs for high school and college students exploring a career in the health sciences, to our post-baccalaureate program, designed to prepare students who already have a bachelor's degree to successfully navigate the route to medical school admission.

The curriculum of CMSRU is distinguished by an emphasis on active learning, early clinical experience, and a culture of service. CMSRU is engaged in educational partnerships with area institutions and organizations to promote further educational innovations. For example, an interprofessional education program has been established between CMSRU and University of the Sciences of Philadelphia's Pharmacology program. CMSRU is committed to serving and benefiting the community of Camden.

**The Rowan-Virtua School of Osteopathic Medicine** is a public college of osteopathic medicine located in Stratford, New Jersey. It is the only college of osteopathic medicine in the State, and, until the opening of the CMSRU in 2012, was the only four-year medical school in southern New Jersey. Established in 1976 as part of the UMDNJ, Rowan-Virtua SOM became part of the University on July 1, 2013.

In particular, pursuant to the Restructuring Act, the entire Rowan-Virtua SOM campus located in Stratford, New Jersey, and all assets and resources allocated to the operation of Rowan-Virtua SOM transferred to Rowan on July 1, 2013. The University also assumed the Graduate School of Biomedical Sciences and its programs, which are delivered by Rowan-Virtua SOM faculty and support the research mission of Rowan-Virtua SOM. These programs include the University's first Ph.D. program.

Rowan-Virtua SOM established a second academic location as well as a Rowan Medicine office in Sewell, New Jersey. Rowan-Virtua SOM is housed in a building constructed by Gloucester County and Rowan College of South Jersey (previously Rowan College of Gloucester County and Cumberland County College). The Rowan Medicine office started serving its first patients in March of 2021 and the first cohort of 72 additional students began in the summer of 2022.

Rowan-Virtua SOM is recognized within the State for its unparalleled track record in providing opportunities to attend medical school to New Jersey residents, and producing physicians, in particular primary care doctors, who remain in the State to practice. More than half of its 3,645 alumni work or train in New Jersey, making a sizable contribution to the State's physician workforce and economy. To meet the anticipated physician shortage locally and nationally, in the Fall of 2018, Rowan-Virtua SOM expanded its incoming class size from 150 to 200, a 33.3% increase. Nationally, the school is a leader among osteopathic medical schools in the diversity of its student body and in research, and is recognized for such centers of excellence as the Child

Abuse Research, Education and Service Institute and the New Jersey Institute for Successful Aging. Rowan-Virtua SOM is part of a consortium for graduate medical education with Jefferson University Hospitals (formerly Kennedy University Hospitals) (three acute care divisions) and Virtua Our Lady of Lourdes Hospital (two acute care divisions) and is also affiliated with Inspira Health Network (formerly South Jersey Healthcare) (two acute care divisions). Many of these same affiliates provide clinical placements for Rowan-Virtua SOM medical students. Rowan-Virtua SOM also is a leader in patient care and is the healthcare delivery enterprise of Rowan. These services are offered on campus in the Rowan Medicine Building, a modern medical office building, at medical offices in various locations across South Jersey, and in the school's principal and major hospital affiliates, which collectively represent eight inpatient sites in five counties.

## **Retention and Success Programs**

The University recognizes the need for specialized programs to support student success to ensure retention and timely graduation. Since 2012, Rowan has built a strong infrastructure including academic support services, professional proactive advising, career development services, and services for students from underserved populations. Below are descriptions of some the programs and their functions.

The **Rowan Seminar** program is designed to facilitate first-year students' successful transition to the University. All first-year students are required to complete a Rowan Seminar course. These courses are special sections of regular courses throughout the University. Each section enrolls 20 or fewer students to permit individual faculty attention to each student. Although addressing widely varying subject matters, Rowan Seminar courses share four goals: strengthen writing and critical thinking skills through their application to specific course content; nurture library research skills within a course context; reinforce the value of cooperative learning; and strengthen academic skills.

The **Office of Academic Support Programs** provides services for transfer students. Students at any stage of transferring, from initial inquiry to graduation from the University, can email [transferhelp@rowan.edu](mailto:transferhelp@rowan.edu) and get a fast, accurate answer to any question. This email hotline is staffed by a dedicated cadre of administrators and staff. Additionally, new transfer students are invited to Transfer Topics Workshops. These sessions are offered five to six times per semester and encourage new transfer students to interact with staff and other students while learning about important University resources such as the Office of Career Advancement, advising and registration, and financial planning.

The **Office of Pre-Health Programs** is committed to supporting students interested in pursuing an advanced health professions degree after completing their undergraduate degree at Rowan. The Office facilitates student preparation for applications to programs including medicine, dentistry, occupational therapy, optometry, physical therapy, physician assistant (associate), podiatry, and veterinary medicine.

**Early Alert and Intervention Programs** include numerous collaborative initiatives of administrators and staff in Student Affairs and Academic Affairs to support students at risk of entering academic jeopardy. Intervention and support is offered to students who are reported as not attending class or performing poorly on class assignments; who fail to register in a timely manner for the following semester; and who earn grade point averages that place them at risk of academic probation. Additionally, the Rowan Success Network Powered by Starfish is an online retention platform that connects students, professors, and advisors to allow for comprehensive communication regarding and tracking of student issues. Much of this work is coordinated by the Cares Team, a group with representation from multiple functional areas including Housing, Disability Resources, Conduct, Dean of Students, Advising, and Wellness which provides holistic reviews and action plans for students who are referred by concerned faculty, staff, and others.

**University Advising Services** is comprised of more than 40 professional advisors who serve students in an assigned academic program. The advisors engage students in the development and implementation of meaningful educational goals, informed academic planning, and major selection consistent with their personal values, interests, and abilities. Proactive outreach, extensive use of data for identifying at-risk students, and consistent protocols ensure a quality academic advising experience for students at Rowan.

**Multiple Degree Completion Initiatives** address issues that students can experience in the later stages of their academic programs, which can lead to dropping out of college after amassing a significant number of credits and, often, student loan debt. The Bachelor of General Studies (“B.G.S.”), Rowan’s most flexible degree program, focuses on a strong liberal arts foundation, an individualized focus area, and career preparation. In the last five years, 267 students earned the B.G.S. degree who otherwise would have left Rowan without a Bachelor’s degree. A streamlined reenrollment process for returning students and a process to track and support students on a leave of absence assist students who may not have returned to Rowan following a time away. Additionally, through **Project Graduation Quest**, special staff reach out to former students who have left prior to graduation to invite them to return and to inform them about new options to complete their degrees. Online, evening, and off-site coursework and programs also enable working adults to stay enrolled and graduate. Rowan is participating in the New Jersey Office of the Secretary of Higher Education initiative Some College, No Degree, which involves sharing of data and best practices across the State’s institutions of higher education to improve degree attainment.

### **Additional Cross-Disciplinary Offerings**

In addition to its academic programs within the disciplines, the University offers special programs for students across the campus. Below are descriptions of the missions and key contributions of these programs.

The John H. Martinson **Honors College** houses the Thomas N. Bantivoglio Honors Concentration (“Honors Concentration”), offering unique educational opportunities for a select group of high-achieving students from all colleges at the University. The Honors Concentration requires those who enter as freshmen to complete eight courses, which satisfy the requirements of their majors,

minors, and the Rowan Core, but are taught at a more intellectually stimulating level than non-Honors courses and use innovative pedagogical strategies. These discussion-based classes engage students in ideas and approaches they would not otherwise encounter. Students in the Honors Concentration receive instruction from the University's best faculty in classes capped at 20. These citizen scholars are also expected to be actively engaged in activities on the University's campus as well as in the wider community. Although Honors students have to meet high academic and participatory expectations, they also enjoy a number of special privileges such as guaranteed campus cluster housing, their own computer cluster and student lounge, priority registration, extended library borrowing, and numerous extracurricular activities (student-run Honors interest groups, invited speakers, and free trips to museums and cultural events in New York, Philadelphia, and Washington, D.C.). They are also eligible for funding to study abroad as well as financial support for independent research. Honors Concentration is supported by a significant donation from Thomas N. Bantivoglio, their benefactor, which allows the Honors Concentration to provide its students with opportunities for learning, participation, and service that set them apart from other students. Honors courses and the designation Honors Studies appear on students' transcripts and diplomas.

The **International Center** (the "Center") actively supports international initiatives at the University. The Center supports the internationalization and globalization of Rowan by offering comprehensive services in the following areas: creation and cultivation of partnerships with overseas institutions, cultural adjustment of international students, English Language Program for international students, immigration advising for international students and scholars, international travel policy, recruitment and admissions of international graduate students, and study abroad programs. The Center is committed to providing support services to students, faculty, and professionals engaged in international education and research; coordinating and presenting internationally focused programs to the Rowan community; and building partnerships with foreign institutions to provide global learning experiences. The Center is responsible for the support of International Students and Scholars at Rowan and remains available to support international students through walk-in advising, academic and cultural workshops, enrichment activities, and social programming. Our diverse international student population also serves as an important peer network for their fellow students and contributes to our mission of sustaining an environment that fosters personal growth, cultural understanding, and academic success. The staff of the Center understands the unique needs of international students and is committed to providing excellent service throughout their time at the University. As part of its Study Abroad program, the Center offers Rowan students the opportunity to study throughout Africa, Asia, Australia, Europe, and Central and South America. These programs create multiple ways to prepare our students for a global market, which comes with very diverse products, services, and ideas. Students work with academic advisors in their major to select a course of study that enables them to complete one semester, one year, or a summer session. All credits count toward a Rowan degree, and all scholarships and financial aid are applicable. The Center also offers intensive English language training for international students and local immigrants around the year.

## **Co-Curricular Activities and Services**

The University recognizes the value of a structured plan for engaging students in purposeful educational activities both inside and outside of the classroom. Co-curricular activities provide students with the opportunity to develop a commitment to ethical behavior, civic engagement, and inclusiveness as well as strengthen their intellectual, workplace, critical decision-making, and practical application skills. The Division of Student Life serves as a catalyst for a significant number of engagement opportunities for students. Opportunities for student involvement across campus include Freshman Connection, Leadership Rowan, Rowan After Hours, Admissions Ambassadors, Intramurals, Residential Learning and University Housing, Learning Communities, Service Learning and Volunteerism, Student Government, Fraternities and Sororities, Peer Mentoring Programs, Student Patrol, Community Safety Assistants, Resident Assistant Program, Student Internships and Employment, Peer Referral and Orientation Program, Student Tutor Program, Campus Hearing Board, and a variety of student clubs and organizations to provide opportunities for students to increase their knowledge, skills, and experience as they prepare themselves for living in a complex world.

## **Athletic Programs**

The University has 18 varsity athletic teams (8 men, 10 women) that are members of the NCAA Division III and the New Jersey Athletic Conference (NJAC). The University has won 11 NCAA Championships all-time and more than 150 NJAC Championships in the past five decades. As a Division III institution, the University is committed to providing both a challenging competitive experience and a successful academic experience for its student athletes. The athletic programs enhance the profile of the University through their active recruitment and successful retention of students. Athletics brings more potential students to the campus than any other program. The graduation rate of the student athletes is well above, not only the national norm, but also the norm for all Rowan students.

## **Accreditation**

The University is accredited by the Middle States Commission on Higher Education. Additional accreditations and professional affiliations of programs are as follows:

- **The William G. Rohrer College of Business:** Association to Advance Collegiate Schools of Business; Computing Accreditation Commission of ABET.
- **The Ric Edelman College of Communication and Creative Arts:** National Association of Schools of Art and Design; Certification in Education for Public Relations.
- **The College of Education:** Counsel for the Accreditation of Educator Preparation; Association for Childhood Education International; American Council on the Teaching of Foreign Languages; Council for Exceptional Children; Educational Leadership Constituent Council; International Reading Association; National Association for the Education of Young Children; National Association of School Psychologists; National Association for Sport and Physical Education; National Council of Teachers of English; National Council of Teachers of Mathematics; National Science Teachers Association; Teachers of English to Speakers of Other Languages; Council for Accreditation of Counseling and Related Educational Programs.
- **The Henry M. Rowan College of Engineering:** Engineering Accreditation Commission of ABET.
- **The College of Performing Arts:** National Association of Schools of Music; National Association of Schools of Theatre.
- **The College of Science and Mathematics:** American Chemical Society; Computing Accreditation Commission of ABET; American Institute of Physics.
- **The Cooper Medical School of Rowan University:** Liaison Committee on Medical Education.
- **The Rowan-Virtua School of Osteopathic Medicine:** Commission on Osteopathic College Accreditation, American Osteopathic Association; Council on Osteopathic Postdoctoral Training Institutions, American Osteopathic Association.
- **The Rita and Larry Salva School of Nursing and Health Professions:** Commission on Accreditation of Athletic Training Education; National Wellness Institute; Commission on Collegiate Nursing Education, American Association of Colleges of Nursing.
- **Rowan University Shreiber School of Veterinary Medicine:** Rowan is in the process of obtaining a Letter of Reasonable Assurance from the American Veterinary Medical Association's Council on Education which would allow the school to admit its inaugural class

## **Enhancing Educational Excellence through Philanthropic Support**

The mission of the Division of University Advancement is to build strong, lasting relationships with the University among alumni, donors and other key constituents to encourage investment in and support of Rowan University. The University has made significant progress in the area of philanthropy over the past several years.

In FY 2020, Ric and Jean Edelman committed \$10 million to create an endowment to support academic scholarships and professional development for students majoring in studies leading to a degree from the Ric Edelman College of Communication and Creative Arts.

In FY 2021, the Robert Wood Johnson Foundation awarded a grant totaling over \$1.6 million to support the continued development of the Rowan University School of Osteopathic Medicine (currently known as the Rowan-Virtua School of Osteopathic Medicine). The grant maximizes the potential of the school's new campus at Rowan College of South Jersey-Gloucester by training even more future physicians and making healthcare more accessible for residents of southern New Jersey.

In FY 2022, the University received a cornerstone gift commitment of \$85 million from Virtua Health. This gift will fuel the creation of a new academic health system, and will create opportunities to (1) educate and train New Jersey's next generation of physicians; (2) innovate by researching, developing and testing new therapies, treatments, and models of care; and (3) increase health equity by meeting the needs of the underserved in the region.

Also in FY 2022, John H. Martinson made a gift commitment of \$5 million in support of the Honors College, which was renamed in his honor. Additionally, Sunitha Menon-Rudolf and Paul Grand made a gift of \$4.22 million to support initiatives within the College of Science and Mathematics. These gifts, along with the aforementioned gift from Virtua Health, as well as many other contributions, resulted in the University raising \$108.5 million in FY 2022 – the most funds it has raised in a single year in its 100-year-old history.

In FY 2023, Gerald B. Shreiber made a gift commitment of \$30 million to name New Jersey's first school of veterinary medicine. The gift is the third largest ever made to the University, and will fund scholarships. The Gerald B. Shreiber School of Veterinary Medicine, which will open its doors to its first students for the Fall 2025 semester, makes the University one of only two institutions in the country to offer M.D., D.O. and D.V.M. degrees.

As the University gathers momentum following transformational milestones, the Division of University Advancement continues to build on its successes to meet the demands of the growing institution. The University's first comprehensive campaign concluded June 30, 2020 and secured \$120.4 million (100.3% of goal) in new gifts and pledges including the gifts from the Henry M. Rowan Family Foundation, William G. Rohrer Charitable Foundation and Ric and Jean Edelman described above. The Division is currently planning the University's next comprehensive campaign, which is expected to have a significantly higher goal than the effort that concluded in

2020. Indeed, still in its “quiet phase,” the yet-to-be-named campaign has raised more than \$156 million in its first two years.

As of June 30, 2023, the Rowan University Foundation reported a net position of \$390 million. The Rowan University Foundation Board is responsible for the investment of the gifts and makes annual grants to the University. Amounts received by the University from the Rowan Foundation in fiscal years 2019 through 2023 are as follows:

**Rowan University Foundation  
Allocations to University**

|         |              |
|---------|--------------|
| FY 2019 | \$10,928,523 |
| FY 2020 | \$10,547,769 |
| FY 2021 | \$11,808,167 |
| FY 2022 | \$13,844,804 |
| FY 2023 | \$14,373,224 |

## **Governing Body**

The governing body of the University is a Board of Trustees (“Board”) consisting of fifteen lay members (two of which are vacant), a voting student trustee, a non-voting student trustee, and the President of the University who is ex officio, non-voting. The Governor appoints each lay member with the advice and consent of the State Senate for six-year terms; upon expiration of their term, the board member continues to serve until the new board member assumes their seat.

The Board is responsible for determining the mission and goals of the University, establishing policies, setting educational curriculum, fixing tuition rates and fees, entering into contracts and agreements, granting diplomas, and borrowing money on behalf of the University. The Board also appoints and reviews the President of the University.

The present Board, their respective places of business or residence (in New Jersey), expiration date of their current terms and occupations are:

| <b><u>Trustee</u></b>                        | <b><u>Term Expires</u></b> | <b><u>Occupation</u></b>   |
|--|----------------------------|--|
| Brenda J. Bacon<br>Voorhees, NJ              | June 30, 2027              | President and CEO<br>Brandywine Senior Living  |
| Chad Bruner<br>Chair<br>Sewell, NJ           | June 30, 2029              | Gloucester County Administrator  |
| Anthony Calabrese<br>Voorhees, NJ            | June 30, 2025              | Founder and former President and CEO of United Computer Sales & Services             |
| Michael Carbone<br>Bonita Springs, FL        | June 30, 2029              | Retired, Senior Vice President and Regional President, Metro Philadelphia<br>TD Bank |
| Jean Edelman<br>Secretary<br>Great Falls, VA | June 30, 2025              | Co-Founder<br>Edelman Financial Services   |
| Dr. Thomas J. Gallia<br>Glassboro, NJ        | June 30, 2027              | Vice President Emeritus<br>Rowan University  |
| Frank Giordano<br>Moorestown, NJ             | June 30, 2026              | Executive Director<br>U.S. Semiquincentennial Commission                             |
| Kris Kolluri, Esq.<br>Princeton, NJ          | June 30, 2025              | CEO of the Gateway Development Commission  |

| <u>Trustee</u>                                | <u>Term Expires</u> | <u>Occupation</u>  |
|---|---------------------|--|
| Barbara Armand Kushner<br>New York, NY        | June 30, 2025       | President and CEO, Armand Corporation  |
| George S. Loesch<br>Mt. Laurel, NJ            | June 30, 2028       | Vice President, Corporate Services & Marketing Conner Strong & Buckelew          |
| Nikitas Moustakas, Esq.<br>Haddonfield, NJ    | June 30, 2026       | Managing Partner, Moustakas Nelson LLC   |
| Nick Petroni<br>Glassboro, NJ                 | June 30, 2028       | Retired, Owner and Managing Member, Petroni & Associates                         |
| Larry Salva<br>Vice Chair<br>Philadelphia, PA | June 30, 2025       | Retired, Executive Vice President & Chief Accounting Officer Comcast Corporation |
| Virginia Smith<br>Upper Makefield, PA         | June 30, 2028       | Chair and Vice President Inductotherm Corporation                                |
| Ali Houshmand<br>Mullica Hill, NJ             | Ex officio          | President Rowan University   |

## **Administrative and Academic Officers**

The major administrative and academic officers of the University include the President, as chief executive officer and ex officio member of the Board, a Provost/Senior Vice President for Academic Affairs; a Dean of Cooper Medical School of Rowan University; a Dean of the School of Osteopathic Medicine; a Senior Vice President for Finance and Chief Financial Officer; a General Counsel; and a Chief of Staff; and a Vice President for University Advancement and Executive Director of the Rowan University Foundation. The persons currently holding said offices are as follows:

Dr. Ali A. Houshmand started with the University in August 2006 and became Rowan University's seventh president in 2012 after serving for approximately six years as provost/senior vice president, CEO and interim president. Inaugurated September 20, 2013, Houshmand is a dynamic leader whose personal connection with students, employees, alumni, government leaders, the business community and the public has become a hallmark of his presidency. A lifelong believer in the power of education, Houshmand holds master's and doctoral degrees in industrial and operations engineering. His entrepreneurial approach to growing the University has focused on four goals: increasing access, improving quality, ensuring affordability and promoting economic development. His success is evident. Under Houshmand, Rowan has evolved from a well-regarded state school to a rising Carnegie-classified national research university with two medical schools and, soon, New Jersey's first veterinary school. For the third consecutive year, Rowan has been named the fourth fastest-growing research university among public doctoral institutions. Rowan offers bachelor's through doctoral programs to nearly 23,000 students through its campuses and online.

Dr. Anthony (Tony) Lowman started with the University in January 2013 and is the Provost and Senior Vice President for Academic Affairs effective July 1, 2019. Dr. Lowman served as Dean of the Henry M. Rowan College of Engineering since 2013 where he had a tremendously successful tenure, including the development of Engineering's Ph.D. programs, the rapid integration of research throughout all the departments, the formation of critically important industry partnerships and the elevation of the College of Engineering's reputation nationally. He is a dynamic leader who is credited, in part, with the great strides the University has made in recent years. He has published more than 100 refereed journal articles and book chapters, and has more than 20 US and worldwide patents issued. He was previously honored as one of the top 100 Scientific Innovators in the world under the age of 35 as named by the MIT-Technology Review Magazine. Dr. Lowman received his degrees in chemical engineering at the University of Virginia (B.S., 1993) and at Purdue University (Ph.D., 1997).

Annette C. Reboli M.D., FACP, FIDSA, FSHEA started with the University in September 2010 and is the Dean and Professor of Medicine of Cooper Medical School of Rowan University. She serves as the Chief Academic Officer, executive and intellectual leader of the medical school. She served as Vice Dean from 2010 – 2016 and led the institution through all phases of the accreditation process. Dr. Reboli earned her medical degree from Georgetown University School of Medicine in 1981. She is board certified in Internal Medicine and in Infectious Diseases. She was a Professor of Medicine at the University of Medicine and Dentistry of New Jersey/Robert

Wood Johnson Medical School. From 1999-2010 she was the Hospital Epidemiologist and the Head of the Infectious Diseases Division at Cooper University Healthcare in Camden, New Jersey. She served as the Deputy Chief of the Department of Medicine from 2007 – 2010. She is internationally known for her research on invasive candidiasis. She is a Fellow of the American College of Physicians, the Infectious Diseases Society of America, and the Society of Hospital Epidemiologists of America.

Richard T. Jermyn, D.O., F.A.A.P.M.R. started with the University in July 2012 and was appointed Interim Dean of the Rowan-Virtua School of Osteopathic Medicine in February 2023. Dr. Jermyn is a pioneer in treatment, education and research in the field of pain management and, more recently, addiction medicine. His career has focused on underserved communities and spans HIV, chronic pain and addiction medicine. Dr. Jermyn has oversight of all academic, research, and clinical affairs at the medical school. Dr. Jermyn's research has netted more than \$25 million in funding for the medical school, including grants to educate all providers in New Jersey on the appropriate prescription of opioids. Dr. Jermyn has provided significant contributions and leadership on a number of national, professional, and academic committees and is the recipient of many awards. Dr. Jermyn earned his medical degree from the Philadelphia College of Osteopathic Medicine and followed that with a residency in Physical Medicine at Temple University/Moss Rehabilitation Hospital.

Joseph Scully started with the University in October 2020 and is Senior Vice President for Finance and Chief Financial Officer. Mr. Scully joined Rowan in October 2000. Mr. Scully has over 35 years of accounting and finance experience holding financial positions in both higher education and health care. In his current capacity he is directly responsible for the effective operation and management of the Finance Division and the financial affairs of the University as well as those of the Facilities and Operations Division. He is responsible for leading and managing the University operations that include financial reporting, accounting, budgeting and analysis, payroll, procurement, accounts payable, bursar and treasury functions and facilities and construction. Mr. Scully is a graduate of LaSalle University, where he received a B.S. in Accounting and an MBA in Finance. Mr. Scully is also a Certified Public Accountant.

Melissa Wheatcroft, Esquire started with the University in November 2012 and is the General Counsel. She began her legal career in private practice at Archer and Greiner, P.C., in Haddonfield, New Jersey in the labor and employment department in 1999. Ms. Wheatcroft's practice included litigation and employer counseling on all issues relating to labor and employment law. She joined Bancroft Neurohealth, later renamed Bancroft, a non-profit provider of residential and educational services to individuals with brain injuries and developmental disabilities in 2005 as General Counsel. Ms. Wheatcroft was promoted to Vice President of Quality Management and General Counsel and assumed responsibility for all internal investigations, risk management, and legal affairs at Bancroft in 2006. She served in that role until 2011 when she became Vice President of Operations and assumed responsibility for all programs at Bancroft. Ms. Wheatcroft joined Rowan in November 2012 as Associate General Counsel. In that role, she provided legal consultation to all colleges and departments and managed daily legal matters of the University. Ms. Wheatcroft became a member of the President's Administrative Cabinet in 2013 and was promoted to General Counsel in October, 2015. In the role of General Counsel, Ms. Wheatcroft

advises the University on matters of governance and issues of strategic importance in addition to general legal matters facing the University and serves as a member of the President's Executive Cabinet. Ms. Wheatcroft also serves as the liaison to the Board of Trustees. Ms. Wheatcroft graduated summa cum laude from Rutgers Law School at Camden in 1999 and earned her undergraduate degree in Spanish also summa cum laude from St. Joseph's University in 1996.

R.J. Tallarida, Jr started with the University in October 2008 and is the Chief of Staff and is responsible for the leadership and management of the Office of the President and serves as the President's designee and proxy on important university-wide initiatives including economic development activities and major partnerships and affiliations. Mr. Tallarida is also responsible for the oversight, coordination and implementation of the University of the Future strategic plan. His portfolio of responsibility includes management of the Offices of Government Relations and External Partnerships, University Events and Community Relations. Mr. Tallarida ensures continuity in building and growing the University's external engagement program, which includes working directly with major donors, prospects and friends of Rowan University. Mr. Tallarida joined the University in 2008 as Development Director and was promoted to progressively responsible positions including Assistant Vice President for Development, Associate Vice President for University Advancement, Vice President for University Advancement, and most recently, Vice President and Chief Growth Officer. Across his roles, Mr. Tallarida has been instrumental in building and growing Rowan's fundraising and external engagement programs and in helping capitalize on the institution's growing momentum and opportunities. Prior to joining the University, he served as deputy chief of staff for a member of the United States House of Representatives and managed the congressman's legislative office in Washington, D.C. He earned a bachelor's degree from Temple University.

Jesse R. Shafer started with the University in June 2021 as Vice President for University Advancement and Executive Director of the Rowan University Foundation. He has more than 30 years of experience in the non-profit-sector, nearly 20 of which have been in higher education. Prior to joining Rowan, Mr. Shafer was Vice President for Development & Alumni Relations at Philadelphia University (now Jefferson University), where he helped lead the University's most successful capital campaign in its history; the effort secured more than \$62.5 million in investment. He was also Vice President with CCS Fundraising, one of the largest fundraising consulting firms in the world. In this post, he directed four successful capital campaigns for, respectively, The Pennsylvania School for the Deaf, Devereux Pennsylvania, Lehigh Valley Hospital & Health Network, and The Salvation Army of Eastern Pennsylvania & Delaware Division. These campaigns raised more than \$95 million in aggregate. Mr. Shafer has also served as a consultant with Averill Fundraising Solutions, and Vice President with the Ed Snider Youth Hockey Foundation. He began his career with Temple University, where he served in a number of fundraising roles. He earned a bachelor's degree in English Literature from La Salle University.

## **Faculty Data**

For the 2022-2023 academic year, the full-time teaching faculty total 554. For the 2022-2023 academic year, 87% of the full-time teaching faculty holds doctoral or other appropriate terminal degrees. The overall student/faculty ratio of full-time equivalent students to full-time equivalent faculty in academic year 2022-2023 is 17 to 1.

*Source: Common Data Set 2022-2023.*

## Enrollment Data

The following tables present the enrollment data for full-time, part-time and summer session students at the University on both a full-time equated ("FTE") and head count basis for the indicated academic years.

### Undergraduate Enrollment

| <u>Year</u> | <u>Full-Time</u>          | <u>Part-Time</u>             | <u>Summer</u>             | <u>Total</u>                 |                           |                              |                           |                              |
|-------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|
| <u>Year</u> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(2)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(2)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(3)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(4)</sup> |
| 18-19       | 13,425                    | 15,169                       | 962                       | 3,811                        | 556                       | 3,651                        | 14,943                    | 22,631                       |
| 19-20       | 13,486                    | 15,215                       | 937                       | 3,622                        | 572                       | 3,806                        | 14,995                    | 22,643                       |
| 20-21       | 13,096                    | 14,875                       | 980                       | 3,420                        | 656                       | 4,330                        | 14,732                    | 22,625                       |
| 21-22       | 12,395                    | 14,185                       | 944                       | 3,374                        | 651                       | 3,943                        | 13,990                    | 21,502                       |
| 22-23       | 12,542                    | 14,247                       | 838                       | 3,078                        | 644                       | 3,916                        | 14,024                    | 21,241                       |

### Graduate Enrollment (Traditional)

| <u>Year</u> | <u>Full-Time</u>          | <u>Part-Time</u>             | <u>Summer</u>             | <u>Total</u>                 |                           |                              |                           |                              |
|-------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|
| <u>Year</u> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(2)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(2)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(3)</sup> | <u>FTE</u> <sup>(1)</sup> | <u>Actual</u> <sup>(4)</sup> |
| 18-19       | 405                       | 627                          | 671                       | 2,327                        | 261                       | 1,372                        | 1,337                     | 4,326                        |
| 19-20       | 513                       | 789                          | 689                       | 2,374                        | 308                       | 1,586                        | 1,510                     | 4,749                        |
| 20-21       | 587                       | 895                          | 680                       | 2,346                        | 321                       | 1,627                        | 1,588                     | 4,868                        |
| 21-22       | 689                       | 1,040                        | 679                       | 2,307                        | 318                       | 1,571                        | 1,685                     | 4,918                        |
| 22-23       | 909                       | 1,402                        | 675                       | 2,295                        | 320                       | 1,654                        | 1,905                     | 5,351                        |

<sup>(1)</sup> Full-Time Equated ("FTE") means the total number of instruction credits taught in the University each year divided by 30 for undergraduate students and by 24 for graduate instruction credits. Numbers in Total might not add up due to rounding.

<sup>(2)</sup> Unduplicated head count (fall/spring)

<sup>(3)</sup> Unduplicated head count (summer only)

<sup>(4)</sup> head count (summer/fall/spring)

Source: University Census Enrollment Records

## Admissions

The table below presents the number of first-time degree seeking undergraduate applicants, the number of those applicants accepted, the percentage of the first-time applicants accepted, the number of those applicants registered, the percentage of the transfer acceptances registered and the number of transfer students registered for the Fall semester for the years indicated.

### Full-Time and Part-Time Admissions

| <u>Fall Semester</u> | <u>Number of First Time Undergraduate Applicants</u> | <u>First Time Undergraduate Applicants Accepted</u> | <u>% of Undergraduate Applicants Accepted</u> | <u>First Time Undergraduate Applicants Registered</u> | <u>% of Transfer Acceptances Registered</u> | <u>Number of Transfer Students Registered</u> |
|----------------------|--|---|---|---|---|---|
| 2019                 | 14,695   | 10,890  | 74.1  | 2,695   | 57.6  | 1,682   |
| 2020                 | 14,763   | 11,517  | 78.0  | 2,239   | 55.8  | 1,719   |
| 2021                 | 11,659   | 9,767   | 83.8  | 2,191   | 55.1  | 1,614   |
| 2022                 | 16,903   | 13,006  | 77.0  | 2,585   | 60.9  | 1,915   |
| 2023                 | 17,923   | 13,758  | 76.8  | 2,555   | 60.1  | 1,803   |

*Source: University Census Enrollment Records*

## SAT Scores

Presented below is the mean math, verbal and combined SAT scores of first-time entering students at the University for the Fall semesters of the years indicated:

| <u>Fall Semester</u> | <u>Mean Score Verbal</u> | <u>Mean Score Math</u> | <u>Combined</u> |
|----------------------|--------------------------|------------------------|-----------------|
| 2019                 | 633                      | 649                    | 1,282           |
| 2020                 | 634                      | 644                    | 1,278           |
| *2021                | 592                      | 593                    | 1,185           |
| *2022                | 602                      | 597                    | 1,199           |
| *2023                | 609                      | 601                    | 1,210           |

*\*Includes all Admits – special admits category was removed and are included with regular admits.  
Prior years only included regular admits.*

*Source: University Census Enrollment Records*

## Degrees Conferred

The table below details the number of degrees awarded for the academic years indicated (Fall, Spring & Summer graduations).

| <u>Academic Year</u> | <u>Bachelors Degrees Awarded</u> | <u>Masters Degrees Awarded</u> | <u>Doctoral Degrees Awarded</u> | <u>MD Degrees Awarded</u> | <u>Osteopathic Medicine Degrees Awarded</u> |
|----------------------|----------------------------------|--------------------------------|---------------------------------|---------------------------|---|
| 18-19                | 3,858                            | 551                            | 27                              | 75                        | 156   |
| 19-20                | 4,299                            | 635                            | 35                              | 80                        | 177   |
| 20-21                | 4,684                            | 830                            | 29                              | 99                        | 169   |
| 21-22                | 4,651                            | 843                            | 43                              | 100                       | 197   |
| 22-23                | 4,653                            | 907                            | 53                              | 104                       | 200   |

*Source: University Graduation Records*

## Applications, Acceptances and Matriculations - CMSRU

The table below represents the number of applicants, the number of those applicants accepted and the number of those who registered at the CMSRU.

| <u>Year</u> | <u>Applications</u> | <u>Acceptances</u> | <u>Matriculations</u> |
|-------------|---------------------|--------------------|-----------------------|
| 19-20       | 3,468               | 237                | 111                   |
| 20-21       | 3,245               | 240                | 111                   |
| 21-22       | 3,124               | 308                | 115                   |
| 22-23       | 2,821               | 284                | 119                   |
| 23-24       | 2,548               | 249                | 113                   |

*Source: University Census Enrollment Records*

The number of applications includes the number of Rowan University Secondary Applications received, which are the only applications considered for admission. The Common Applications received through the American Medical College Application Service are not considered for admission and thus are not counted in the application total.

### **MCAT Scores - CMSRU**

The following table represents the average MCAT scores of the entering students at the CMSRU.

| <u>Year</u> | <u>MCAT</u> |
|-------------|-------------|
| 19-20       | 510         |
| 20-21       | 511         |
| 21-22       | 511         |
| 22-23       | 512         |
| 23-24       | 513         |

*Source: CMSRU Records*

### **Enrollment - CMSRU**

The following table represents the unduplicated enrollment at the CMSRU.

| <u>Year</u> | <u>Student Enrollment</u> |
|-------------|---------------------------|
| 19-20       | 424                       |
| 20-21       | 447                       |
| 21-22       | 445                       |
| 22-23       | 448                       |
| 23-24       | 459                       |

*Source: University Census Enrollment Records*

## **Applications, Acceptances and Matriculations - Rowan-Virtua SOM**

The table below represents the number of applicants, the number of those applicants accepted and the number of those who registered at the Rowan-Virtua SOM.

| <b><u>School</u></b>                                      | <b><u>Year</u></b> | <b><u>Applications</u></b> | <b><u>Acceptances</u></b> | <b><u>Matriculations</u></b> |
|---|--------------------|----------------------------|---------------------------|------------------------------|
| School of Osteopathic Medicine*                           | 19-20              | 3,056                      | 414                       | 202                          |
|   | 20-21              | 3,701                      | 410                       | 240                          |
|   | 21-22              | 4,873                      | 449                       | 231                          |
|   | 22-23              | 4,273                      | 507                       | 312                          |
|   | 23-24              | 4,466                      | 553                       | 314                          |
| Graduate School of Biomedical Sciences – Ph.D. program    | 19-20              | 30                         | 14                        | 5                            |
|   | 20-21              | 32                         | 15                        | 10                           |
|   | 21-22              | 26                         | 15                        | 8                            |
|   | 22-23              | 49                         | 15                        | 11                           |
|   | 23-24              | 62                         | 15                        | 5                            |
| Graduate School of Biomedical Sciences - Master's program | 19-20              | 194                        | 108                       | 51                           |
|   | 20-21              | 218                        | 118                       | 42                           |
|   | 21-22              | 179                        | 91                        | 42                           |
|   | 22-23              | 205                        | 74                        | 33                           |
|   | 23-24              | 251                        | 83                        | 43                           |

*Source: University Census Enrollment and Rowan-Virtua SOM Records*

*\*The number of applications includes the number of Rowan University Secondary Applications received, which are the only applications considered for admission. The Common Applications received through the American Medical College Application Service are not considered for admission and thus are not counted in the application total.*

## **MCAT Scores - Rowan-Virtua SOM**

The following table represents the average MCAT scores of the entering students at the Rowan-Virtua SOM.

| <b><u>Year</u></b> | <b><u>MCAT</u></b> |
|--------------------|--------------------|
| 19-20              | 506                |
| 20-21              | 506                |
| 21-22              | 506                |
| 22-23              | 505                |
| 23-24              | 506                |

*Source: Rowan-Virtua SOM Records*

## **Enrollment - Rowan-Virtua SOM**

The following table represents the unduplicated enrollment at the Rowan-Virtua SOM.

| <b><u>School</u></b>                                      | <b><u>Year</u></b> | <b><u>Student Enrollment</u></b> |
|---|--------------------|----------------------------------|
| School of Osteopathic Medicine                            | 19-20              | 784                              |
|   | 20-21              | 818                              |
|   | 21-22              | 848                              |
|   | 22-23              | 935                              |
|   | 23-24              | 1,022                            |
| Graduate School of Biomedical Sciences – Ph.D. program    | 19-20              | 25                               |
|   | 20-21              | 32                               |
|   | 21-22              | 36                               |
|   | 22-23              | 40                               |
|   | 23-24              | 42                               |
| Graduate School of Biomedical Sciences - Master's program | 19-20              | 117                              |
|   | 20-21              | 119                              |
|   | 21-22              | 110                              |
|   | 22-23              | 107                              |
|   | 23-24              | 99                               |

*Source: University Census Enrollment Records*

## **Tuition, Fees and Charges**

University students are required to pay tuition, room and board, and fees in accordance with the following schedule (data provided on per-semester basis):

| <b><u>Tuition</u></b>                        | <b>Academic Year<br/><u>2019-20</u></b> | <b>Academic Year<br/><u>2020-21</u></b> | <b>Academic Year<br/><u>2021-22</u></b> | <b>Academic Year<br/><u>2022-23</u></b> | <b>Academic Year<br/><u>2023-24</u></b> |
|--|---|---|---|---|---|
| Undergraduate<br>(State Residents)           | \$5,038                                 | \$5,151                                 | \$5,151                                 | \$5,357                                 | \$5,625                                 |
| Undergraduate<br>(Out-of-State<br>Residents) | \$9,454                                 | \$9,667                                 | \$9,667                                 | \$10,054                                | \$10,557                                |
| <b><u>Room and Board</u></b>                 |   |   |   |   |   |
| Average Room<br>Charge                       | \$4,157                                 | \$4,282                                 | \$4,410                                 | \$4,542                                 | \$4,656                                 |
| Average Board<br>Charge                      | \$2,157                                 | \$2,204                                 | \$2,242                                 | \$2,306                                 | \$2,372                                 |
| <b><u>Fees</u></b>                           |   |   |   |   |   |
| Undergraduate                                | \$1,962                                 | \$2,037                                 | \$2,037                                 | \$2,118                                 | \$2,225                                 |

*Source: University Records*

## **Annual Tuition**

Students are required to pay tuition in accordance with the following schedule:

|   | <b><u>Year</u></b> | <b><u>Resident</u></b> | <b><u>Non-resident</u></b> |
|---|--------------------|------------------------|----------------------------|
| Rowan-Virtua SOM  | 19-20              | \$41,339               | \$66,324                   |
|   | 20-21              | 41,339                 | 66,324                     |
|   | 21-22              | 41,339                 | 66,324                     |
|   | 22-23              | 42,503                 | 67,452                     |
|   | 23-24              | 44,628                 | 70,826                     |
| Graduate School of Biomedical Sciences – Ph.D. program    | 19-20              | \$8,202                | \$11,882                   |
|   | 20-21              | 8,202                  | 11,882                     |
|   | 21-22              | 8,202                  | 11,882                     |
|   | 22-23              | 8,432                  | 12,084                     |
|   | 23-24              | 8,854                  | 12,688                     |
| Graduate School of Biomedical Sciences - Master's program | 19-20              | \$835                  | \$1,049                    |
|   | 20-21              | 835                    | 1,049                      |
| Note: \$ per credit                                       | 21-22              | 835                    | 1,049                      |
|   | 22-23              | 859                    | 1,067                      |
|   | 23-24              | 902                    | 1,120                      |

## CMSRU

|         |       |          |          |
|---------|-------|----------|----------|
| Tuition | 19-20 | \$40,479 | \$64,240 |
|         | 20-21 | 40,479   | 64,240   |
|         | 21-22 | 40,479   | 64,240   |
|         | 22-23 | 42,503   | 67,452   |
|         | 23-24 | 44,628   | 70,826   |
| Fees    | 19-20 | \$2,290  | \$2,290  |
|         | 20-21 | 2,290    | 2,290    |
|         | 21-22 | 2,290    | 2,290    |
|         | 22-23 | 2,290    | 2,290    |
|         | 23-24 | 2,370    | 2,370    |

*Source: University Records*

## Legislative Appropriations

The New Jersey State legislative appropriations made to the University and the University's operating budget for the past five fiscal years are as follows:

| Fiscal Year Ending June 30 | Legislative Appropriations per State Budget | MAPS Adjustments <sup>(1)</sup> | Research Institution Fringe Support <sup>(2)</sup> | Legislative Appropriations per Rowan Financial Statements <sup>(3)</sup> | Operating Budget <sup>(8)</sup> |
|----------------------------|---|---------------------------------|--|--|---------------------------------|
| 2020                       | \$94,479,000                                | \$31,555,836                    |  | \$62,923,164 <sup>(4)</sup>  | \$547,351,843                   |
| 2021                       | \$102,410,000                               | \$16,715,638                    |  | \$85,694,362 <sup>(5)</sup>  | \$536,021,924                   |
| 2022                       | \$132,603,000                               | \$20,528,189                    | \$993,000  | \$113,067,811 <sup>(6)</sup>   | \$587,035,188                   |
| 2023                       | \$141,153,000                               | \$24,822,576                    | \$3,305,000  | \$119,635,424 <sup>(6)</sup>   | \$636,479,608                   |
| 2024                       | \$149,027,000                               | \$36,237,885                    |  | \$112,789,115 <sup>(7)</sup>   | \$674,125,960                   |

- (1) Rowan's appropriations are reduced due to the NJ Medicaid Access to Physician Services ("MAPS") Program within the New Jersey Medicaid program. MAPS has had a minimal impact to the University since as part of this program The reduction to the CMSRU appropriation is offset by a reduction in the pass through payment to Cooper Hospital in the same amount and Rowan-Virtua SOM records increased reimbursement rates from Medicaid which offsets its reduction in appropriations. The MAPS adjustment in FY20 was \$19.4 million with a reduction of the flow through payment of \$17.5 million. FY20 also saw a decrease of \$12.2 million in state appropriations due to the effects of COVID-19 on the State's revenue. The MAPS reduction in FY21 was \$16.7 million with a reduction of the flow through payment of \$15.6 million. The MAPS reduction in FY22 was \$20.5 million with a reduction of the flow through payment of \$19.4 million. The MAPS reduction in FY23 is \$24.8 million with a reduction of the flow through payment of \$23.3 million. The MAPS reduction in FY24 is \$36.2 million with a reduction of the flow through payment to Cooper Hospital of \$21.7 million. The remaining \$14.5 million MAPS reduction is an increase of the MAPS for Rowan-Virtua SOM. The total fee for service component of the MAPS program has not been communicated for FY24. The FY24 YTD MAPS fee for service component resulted a MAPS reduction of \$0.5 million. The FY23 fee for service component resulted in in a MAPS reduction of \$2.2 million with a reduction of the flow through payment of \$2.1 million.
- (2) Rowan's share of funding put aside by the State of New Jersey for research institution fringe support. The FY24 amount has not been communicated to Rowan.
- (3) The Appropriations listed do not include appropriations from the state to cover OPEB costs. This is a non cash appropriation to cover the OPEB costs allocated to the University by the state, that the state is obligated to pay.
- (4) Includes a special appropriations of \$2.0 million for CREATEs and \$0.5 million for the Camden Opioid Research Initiative.

- (5) *Includes a special appropriations of \$2.0 million for CREATEs, \$0.5 million for the Camden Opioid Research Initiative and \$0.9 million for Child Abuse Research Education and Service Institute.*
- (6) *Includes a special appropriations of \$2.0 million for CREATEs, \$1.0 million for the Camden Opioid Research Initiative, \$2.7 million for Child Abuse Research Education and Service Institute, \$0.5 million for Cooper Hospital Population Health and \$7.0 million for the School of Veterinary Medicine.*
- (7) *Includes a special appropriations of \$2.0 million for CREATEs, \$1.0 million for the Camden Opioid Research Initiative, \$2.7 million for Child Abuse Research Education and Service Institute, \$0.5 million for Cooper Hospital Population Health and \$12.0 million for the School of Veterinary Medicine.*
- (8) *Total operating budget includes the operating costs of the University which primarily includes salary, fringe benefits, non-salary operating and debt service.*

State appropriations remain a vital source of funding for the University. No assurances can be provided as to the level of, and availability of, State funding in subsequent years.

The University cannot pledge any of its legislative appropriations to secure its obligations.

## Pension and Retirement Plans

The University participates in four pension plans administered by the State, two of which are defined benefit plans: Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Alternate Benefit Program ("ABP") and the Defined Contribution Retirement Program ("DCRP") are defined contribution plans. Generally, all University employees (except certain classes of part-time, temporary employees, and employees who previously retired from a State pension program) participate in one of the four pension plans.

The University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68) for fiscal year ended June 30, 2015. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Note disclosure and required supplementary information requirements about pensions also are addressed. For defined benefit pensions, this statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Certain University employees are provided with defined benefit pensions through the PERS, PFRS, and TPAF, cost-sharing, multiple-employer defined benefit pension plans administered by the State of New Jersey, Division of Pensions and Benefits. In accordance with the provisions of GASB 68, the University has reported its most current proportionate share of PERS and PFRS net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense and the employer pension expense and related revenue for TPAF which met the criteria for a special funding situation.

The University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (GASB 75) for fiscal year ended June 30, 2018. The University's retirees participate in the State Health Benefit State Retired Employees Plan (the "Plan"). Plan description, including benefits provided - The Plan is a single-employer defined benefit other postemployment benefit ("OPEB") plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System ("PERS"), the Alternate Benefit Program ("ABP") or the Police and Firemen's Retirement System ("PFRS"). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB 75.

Retirees who are not eligible for employer-paid health coverage at retirement can continue in the program by paying the full cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree's annual retirement benefit and level of coverage.

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the definition of a trust as per GASB 75.

### **Future Capital Needs**

The University continues to consider capital additions on its main campus located in Glassboro and on the West Campus. Currently, the University is planning on the construction of a new building on the West Campus for the School of Nursing and Health Professions which building will house a new 4-year nursing program. The building will be approximately 42,000 square feet and cost approximately \$30 million dollars. A grant from the State (HEFT Grant) in the amount of \$11.9 million dollars will be contributed for a portion of the cost of the project.

It is expected that future projects will be funded through a combination of public/private partnerships, private development, state funding, bonds, unrestricted net assets, long term lease structures, capital campaigns, annual gifts and pledges.

**APPENDIX B**

**INDEPENDENT AUDITORS' REPORT AND AUDITED  
FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY AS  
OF AND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

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**ROWAN UNIVERSITY**  
(A Component Unit of the State of New Jersey)

Basic Financial Statements,  
Management's Discussion and Analysis  
and Required Supplementary Information

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)

**ROWAN UNIVERSITY**  
(A Component Unit of the State of New Jersey)

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KPMG LLP  
New Jersey Headquarters  
51 John F. Kennedy Parkway  
Short Hills, NJ 07078-2702

## **Independent Auditors' Report**

The Board of Trustees  
Rowan University:

### *Opinions*

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Rowan University (the University), a component unit of the State of New Jersey, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Emphasis of Matter*

As discussed in note 1(b)(xiv) to the financial statements, in 2023, the University adopted Governmental Accounting Standards Boards (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not



a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis, the schedules of employer contributions, the schedules of proportionate share of net pension liability, and the schedule of proportionate share of the total OPEB liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*KPMG LLP*

Short Hills, New Jersey  
December 21, 2023

## **Introduction**

This section of Rowan University's (the University) financial statements presents our discussion and analysis of the University's financial performance for the fiscal years ended June 30, 2023 and 2022 with certain comparative amounts for the year ended June 30, 2021. Since this discussion and analysis is designed to focus on current activities, it should be read in conjunction with the University's basic financial statements, which follows this section. Management has prepared the financial statements and the related note disclosures, along with the discussion and analysis.

## **University Overview**

Rowan University is a Carnegie-classified national doctoral research institution dedicated to excellence in undergraduate education. A public research university, it has campuses in Glassboro, Camden and Stratford, New Jersey, as well as online programs. Rowan is recognized for its nationally ranked academic and athletic programs, talented faculty and researchers and high-tech facilities. Rowan prides itself on being able to provide its approximately 22,000 students an outstanding education at an exceptional value. Rowan is marking its Centennial year in 2023.

The University comprises eight academic colleges and nine schools, including the William G. Rohrer College of Business; the Ric Edelman College of Communication & Creative Arts; the Henry M. Rowan College of Engineering; Virtua Health College of Medicine & Life Sciences; the Colleges of: Education, Humanities & Social Sciences, Performing Arts, and Science & Mathematics; Cooper Medical School of Rowan University (CMSRU); Rowan-Virtua School of Osteopathic Medicine (SOM); the Rowan-Virtua School of Translational Biomedical Engineering & Sciences; the School of Innovation & Entrepreneurship; the Rita & Larry Salva School of Nursing & Health Professions; the School of Professional Studies; and the School of Earth & Environment, along with the interdisciplinary John H. Martinson Honors College and the School of Graduate Studies. The Shreiber School of Veterinary Medicine (SVM) is expected to welcome its first class in 2025. Rowan's Division of Global Learning & Partnerships offers flexible undergraduate and graduate programs on campus and off site – including at two area community colleges – and online. Within these colleges and schools the University offers more than 90 bachelor's degrees, 48 master's degrees, nine research/scholarship doctoral degrees (Ed.D. and Ph.D.) and two professional doctoral degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.).

Rowan is one of four public universities in the nation to offer M.D. and D.O. medical degree programs. With the addition of SVM, expected in 2025, the University will be one of two universities in the U.S. to offer three medical degrees.

The institution is also home to the South Jersey Technology Park, which fosters the translation of applied research into commercial products and processes. In 2022, U.S. News & World Report ranked Rowan among the top 100 public universities in the nation. The publication ranked the University #122 in Best Value Schools; #132 in Best Colleges for Veterans; #137 in Best Undergraduate Engineering Programs; #194 in National Universities overall; #209 in Top Performers on Social Mobility; and #356 in Nursing.

Additionally, the Carnegie Classification of Institutions of Higher Education has designated Rowan as an R2 institution (high research activity), making it just one of 133 of more than 3,900 colleges and universities across the country with that distinction.

In August 2023, the Chronicle of Education named the University the fourth fastest-growing public research university in the nation.

Rowan University is licensed and authorized by the State of New Jersey (the State) to offer baccalaureate degrees, post-baccalaureate certificates, master's degrees, specialist programs, graduate certificates, doctoral programs, and professional programs in accordance with its programmatic mission as a comprehensive public research university. The New Jersey Legislature appropriates funds annually to support the University. However,

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the University operates autonomously from the State. Rowan is accredited by the Middle States Commission on Higher Education.

### **Financial Statements**

The University's basic financial statements include three financial statements: statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows, which have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). These statements focus on its assets, liabilities, deferred outflows and deferred inflows of resources, revenues, expenses, and cash flows on an entity-wide basis.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), was implemented in FY2023, effective July 1, 2021. The statement improves the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private or public-public partnerships and availability payment arrangements by enhancing the understandability, reliability, relevance, and consistency of information. The amounts reported for fiscal year 2022 have been restated for the implementation of GASB 94.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), was implemented in FY2023, effective July 1, 2021. This statement improves the financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions meeting that definition. It defines SBITAs as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement a government entity is required to establish a right-of-use subscription asset and a corresponding subscription liability. The amounts reported for fiscal year 2022 have been restated for the implementation of GASB 96.

GASB Statement No. 87, *Leases* (GASB 87) was implemented in FY2022, effective July 1, 2020. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB 87 impacts all three financial statements. The amounts reported for fiscal year 2021 have been restated for the implementation of GASB 87.

### **Statement of Net Position**

The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The statement of net position is a point of time financial statement. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the University. The statement of net position presents end-of-the-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position.

Net position is one indicator of the current financial condition of the University while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors, and lending institutions. Finally, the statement of net position provides a picture of the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) and their availability for expenditure by the University.

Management's Discussion and Analysis as of and for the Years Ended June 30, 2023 and 2022  
(Unaudited)

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned or leased (including similar subscription arrangements) by the institution less any debt outstanding to finance capital activity. The next category is restricted expendable net position. Restricted expendable net position represents amounts available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the University for any lawful purpose of the University.

A condensed summary of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2023, 2022, and 2021 follows:

| Condensed Statements of Net Position<br>(in thousands) |            |           |           |
|--|------------|-----------|-----------|
|  | 2023       | 2022      | 2021*     |
| Current assets   | \$ 235,218 | 252,355   | 274,482   |
| Capital assets, net                                    | 1,046,711  | 1,037,581 | 1,021,751 |
| Other noncurrent assets                                | 235,444    | 275,417   | 216,315   |
| Total assets   | 1,517,373  | 1,565,353 | 1,512,548 |
| Deferred outflows of resources                         | 137,624    | 61,535    | 53,376    |
| Total assets and deferred outflows of resources        | 1,654,997  | 1,626,888 | 1,565,924 |
| Current liabilities                                    | 182,033    | 147,994   | 138,544   |
| Noncurrent liabilities                                 | 1,208,195  | 1,187,531 | 1,095,990 |
| Total liabilities                                      | 1,390,228  | 1,335,525 | 1,234,534 |
| Deferred inflows of resources                          | 133,135    | 162,040   | 211,829   |
| Total liabilities and deferred inflows of resources    | 1,523,363  | 1,497,565 | 1,446,363 |
| Net position:  |            |           |           |
| Net investment in capital assets                       | 196,472    | 174,782   | 189,808   |
| Restricted expendable                                  | 36,816     | 29,244    | 29,509    |
| Unrestricted   | (101,654)  | (74,703)  | (99,756)  |
| Total net position                                     | \$ 131,634 | 129,323   | 119,561   |

\* Amounts not restated for GASB 94 and GASB 96.

Current assets consist of cash and cash equivalents, deposits held by trustees under bond agreements for current principal and interest payments, the current portion of lease receivables, as well as other receivables, current portion of investments and other current assets. Noncurrent assets consist of deposits held by trustees under agreements for capital activities and long-term capitalized interest, investments, lease receivables, as well as other receivables and net capital assets. Deferred outflows of resources consist of those related to pensions and the loss on bond refinancing. Current liabilities consist of accounts payable and accrued expenses, unearned revenue and the current portion of bonds payable, leases payable to component unit, other long-term debt and financed purchase obligations. Noncurrent liabilities consist of compensated absences, unearned revenue, other liabilities, deposits held in custody for others, bonds payable, net pension liability, leases payable to component unit and other long-term debt. Deferred inflows of resources consist of those related to pensions, the gain on bond refinancing, deferred amounts for leases to be recognized in future periods, and service concession arrangement.

*Fiscal Year 2023 Compared to 2022*

The University's total assets decreased \$48.0 million from \$1,565.4 million at June 30, 2022 to \$1,517.4 million at June 30, 2023. Current assets decreased \$17.1 million, capital assets increased \$9.1 million, and other noncurrent assets decreased \$40.0 million.

The primary causes for the changes in assets are as follows:

- Within current assets, unrestricted cash and cash equivalents decreased \$35.9 million, primarily as a result of increased transfers to investments. Restricted cash and cash equivalents increased \$3.8 million, primarily as a result appropriations related to the SVM. Receivables decreased by \$5.0 million, primarily as a result of a decrease in grants receivables of \$5.3 million and professional services of \$3.6 million offset by an increase of \$2.4 million and \$0.8 million in student receivables and interest and other, respectively. Investments increased by \$15.5 million, primarily due to \$12.7 million increase in unrealized gains. Restricted deposits held by trustees increased by \$2.4 million and other current assets increased by \$2.0 million.
- Net capital assets increased approximately \$9.1 million primarily due to an increase in building improvements of \$54.5 million, equipment of \$16.3 million, and land improvements of \$1.3 million, offset by depreciation and amortization of \$63.0 million.
- Other noncurrent assets decreased \$40.0 million for the year ended June 30, 2023. The decrease is primarily due to a \$34.5 million decrease in noncurrent restricted deposits held by trustees and a decrease of \$4.0 million in long-term investments.

Deferred outflows of resources increased \$76.1 million primarily due to loss on bond refinancing of \$77.3 million with direct placement debt of the Industrial Development Authority of the City of Phoenix, Arizona (IDA) Series 2022A and Series 2022B bonds.

Current liabilities increased \$34.0 million. The increase is primarily attributed to a \$29.5 million increase in current long-term debt, \$3.1 million increase in unearned revenue due to grant funds received in advance, and an increase \$1.4 million in accrued expenses.

Noncurrent liabilities increased \$20.7 million. This increase is due primarily to an increase long-term debt of \$18.2 million and an increase of \$8.2 million in net pension liabilities, offset by a decrease unearned revenue of \$2.7 million and leases-component of \$0.7 million.

Deferred inflows of resources decreased \$28.9 million due primarily to the decrease of \$26.4 million in pension related deferred inflows of resources.

Total net position increased by \$2.3 million at June 30, 2023 which is primarily the result of a \$27.0 million decrease in unrestricted net position, offset by a \$21.7 million increase of net investment of capital assets and a \$7.6 million increase of the expendable restricted net position.

*Fiscal Year 2022 Compared to 2021*

The University's total assets increased \$52.8 million from \$1,512.6 million at June 30, 2021 to \$1,565.4 million at June 30, 2022. Current assets decreased \$22.1 million, capital assets increased \$15.8 million, and other noncurrent assets increased \$59.1 million.

The primary causes for the changes in assets are as follows:

- Within current assets, unrestricted cash and cash equivalents decreased \$27.1 million primarily as a result of increased transfers to investments. Receivables increased by \$2.9 million primarily as a result of an increase in grants receivables of \$6.2 million as a result of the increased activity and \$0.7 million in student

receivables offset by a decrease in State of New Jersey and professional services of \$3.2 million and \$1.5 million, respectively.

- Net capital assets increased approximately \$15.8 million primarily due to an increase of \$15.0 million in financed purchase assets as a result of a new agreement for a parking garage, \$19.9 million as a result of the progress on the Jean and Ric Edelman Fossil Park as well as other building improvements and equipment of \$22.0 million and \$7.5 million, respectively, and an increase of \$10.8 million as a result of implementing GASB 96 offset by depreciation and amortization of \$58.8 million.
- Other noncurrent assets increased \$59.1 million for the year ended June 30, 2022. The increase is primarily due to a \$75.0 million increase in noncurrent restricted cash and cash equivalents received for construction of the veterinary school building and an increase of \$17.7 million in long-term investments, offset by a decrease deposits held by trustees of \$29.4 million as a result of drawdowns related to construction progress.

Deferred outflows of resources increased \$8.2 million primarily due to the recognition of a \$9.7 million increase of deferred outflows of resources in fiscal year 2022 related to pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). Additionally, the loss on bond refinancing decreased \$1.5 million as a result of amortization of the respective bond issuances outstanding.

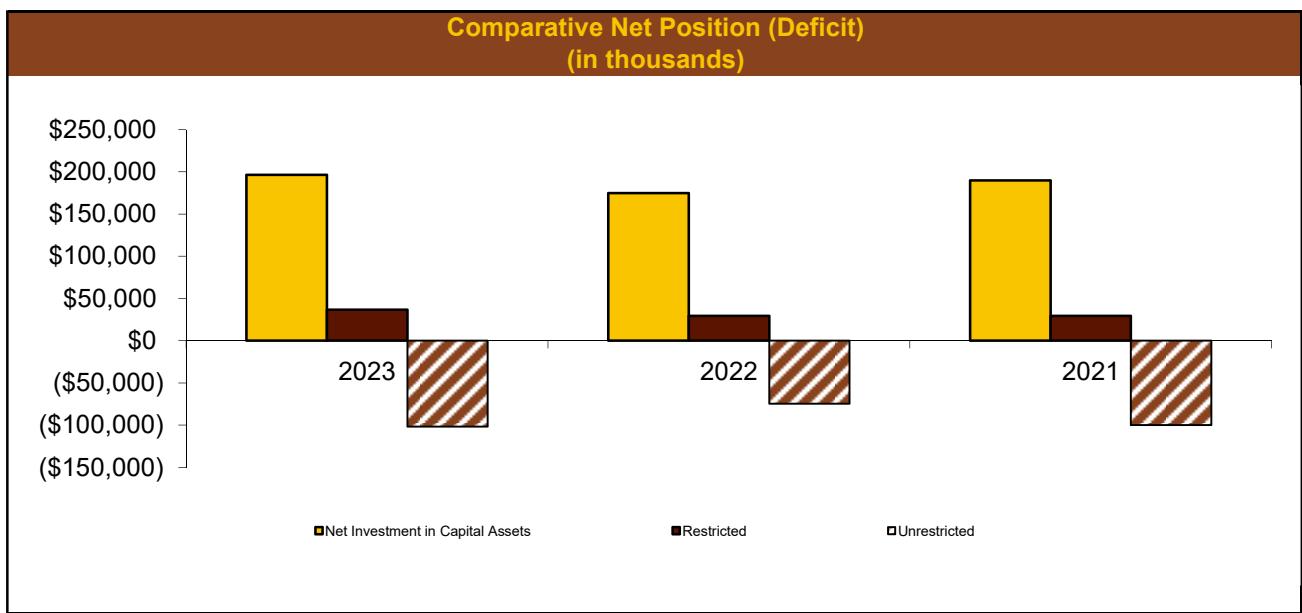
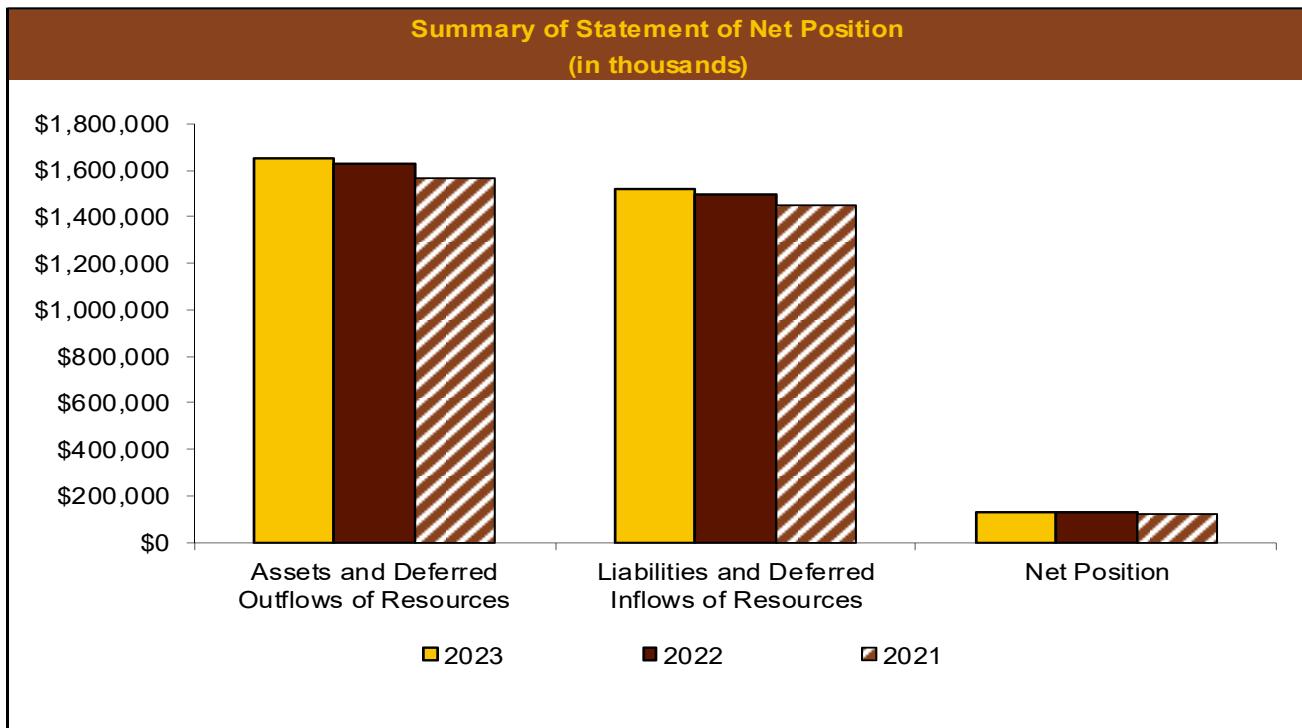
Current liabilities increased \$9.5 million. The increase is primarily attributed to a \$7.0 million increase in unearned revenue due to grant funds received in advance and an increase in current long-term debt of \$1.4 million.

Noncurrent liabilities increased \$91.6 million. This increase is due primarily to an increase in unearned revenue of \$82.8 million resulting from funds received for the construction of the veterinary school building and implementation of GASB 94, an increase of \$6.7 million in pension liabilities, and increase in other liabilities and unearned revenue of \$16.5 million as a result of implementing GASB 94 and the now current classification of amounts due under the Coronavirus Aid, Relief and Economic Security (CARES) Act deferral of FICA, offset by a decrease long-term debt of \$12.7 million.

Deferred inflows of resources decreased \$49.8 million due primarily to the decrease of \$32.7 million resulting from the implementation of GASB 94 and \$14.8 million in pension related deferred inflows of resources.

Total net position increased by \$9.8 million at June 30, 2022 which is primarily the result of a \$25.1 million increase in unrestricted net position, offset by a \$15.0 million decrease of net investment of capital assets and a \$0.3 million decrease of the expendable restricted net position.

Management's Discussion and Analysis as of and for the Years Ended June 30, 2023 and 2022  
(Unaudited)



**Statement of Revenues, Expenses, and Changes in Net Position**

The year to year changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University.



(A Component Unit of the State of New Jersey)

Management's Discussion and Analysis as of and for the Years Ended June 30, 2023 and 2022  
(Unaudited)

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. For example, state appropriations are nonoperating because they are provided by the State to the University without the State directly receiving commensurate goods and services for those revenues.

The statement of revenues, expenses, and changes in net position presents the University's results of operations. A condensed summary of the University's revenues, expenses, and changes in net position for the years ended June 30, 2023, 2022, and 2021 as follows:

| Condensed Statements of Revenue, Expenses, and Changes in Net Position<br>(in thousands) |            |           |           |
|--|------------|-----------|-----------|
|  | 2023       | 2022      | 2021*     |
| Operating revenues:  |            |           |           |
| Net student revenues   | \$ 283,352 | 283,453   | 260,062   |
| Grants   | 126,288    | 98,332    | 94,614    |
| Professional services and contracts, net   | 50,481     | 56,574    | 57,418    |
| Other  | 11,975     | 10,851    | 8,809     |
| Total operating revenues   | 472,096    | 449,210   | 420,903   |
| Operating expenses   | 717,239    | 690,395   | 624,312   |
| Operating loss   | (245,143)  | (241,185) | (203,409) |
| Nonoperating revenues (expenses):  |            |           |           |
| State appropriations   | 246,549    | 235,693   | 191,890   |
| Gifts from Rowan University Foundation   | 14,373     | 13,845    | 11,808    |
| Investment income (loss), net  | 11,718     | (5,970)   | 7,485     |
| Interest on capital asset related debt   | (30,501)   | (37,300)  | (35,759)  |
| Other nonoperating revenues, net   | 3,398      | 44,526    | 54,685    |
| Net nonoperating revenues  | 245,537    | 250,794   | 230,109   |
| Income before other revenues   | 394        | 9,609     | 26,700    |
| Capital grants   | 1,916      | 154       | 890       |
| Increase in net position   | 2,310      | 9,763     | 27,590    |
| Net position – beginning of year (as restated)   | 129,324    | 119,561   | 91,971    |
| Net position – end of year   | \$ 131,634 | 129,324   | 119,561   |

\* Amounts not restated for GASB 94 and GASB 96.

#### Fiscal Year 2023 Compared to 2022

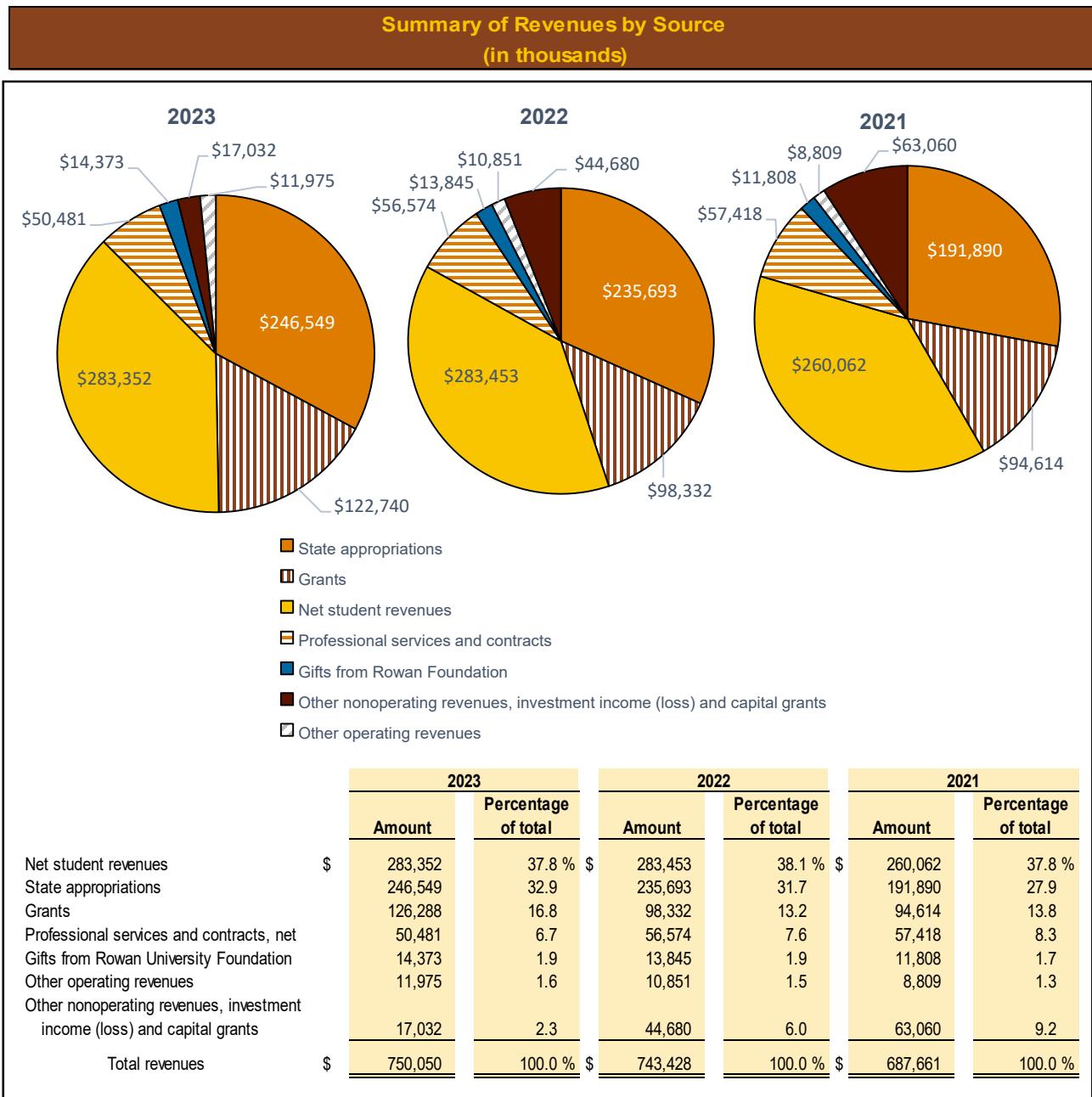
The University's net position increased \$2.3 million in fiscal year 2023. This net amount represents the total revenue available to the University of \$750.0 million compared to total expenses of \$747.7 million.

#### Fiscal Year 2022 Compared to 2021

The University's net position increased \$9.8 million in fiscal year 2022. This net amount represents the total revenue available to the University of \$743.4 million compared to total expenses of \$733.6 million.

## Revenues

To fund its operations, the University receives revenues from a variety of operating and nonoperating sources including tuition and fees, auxiliary services, grants, professional services and contracts, State of New Jersey appropriations, gifts from the Rowan University Foundation and investment income. The University is continuing to seek additional funds from all possible sources to adequately fund operating activities. A summary of revenues for the years ended June 30, 2023, 2022, and 2021 as follows:



## **Operating Revenues**

### *Fiscal Year 2023 Compared to 2022*

Operating revenues for fiscal year ended June 30, 2023 increased \$22.9 million over fiscal year 2022. The majority of this increase is due to grants of \$28.0 million, offset by a decrease in net professional services and contracts of \$6.1 million. The increase in grants is due to the University's efforts in increasing grant revenue from federal, state and private funding sources.

### *Fiscal Year 2022 Compared to 2021*

Operating revenues for fiscal year ended June 30, 2022 increased \$28.3 million over fiscal year 2021. The majority of this increase is due to net student revenues of \$23.4 million and grants of \$3.7 million. The increase in net student revenues was primarily related to student life fees and housing revenue of \$9.5 million and \$6.9 million, respectively. This increase was largely related to the University's campus fully reopening and the expiration of the 10% tuition and fee discount in place during fiscal year 2021. Additionally, meal plans increased \$5.0 million as a result of the increased student activity on campus. The increase in grants is due to the University's efforts in increasing grant revenue from federal, state and private funding sources.

## **Nonoperating Revenues (Net)**

### *Fiscal Year 2023 Compared to 2022*

Nonoperating revenues (net) for the years ended June 30, 2023 and 2022 totaled \$245.5 million and \$250.8 million, respectively, which is a \$5.3 million decrease. The primary source was a \$41.1 million decrease in other nonoperating revenue. The decrease in other nonoperating revenue is related to the prior year recognition of the federal aid awarded through the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act of 2021 (ARP). This decrease was offset by State of New Jersey appropriations which include the University base appropriation as well as appropriations for CMSRU, SOM, SVM, other postemployment benefits (OPEB) revenues and the State paid fringe benefits. The University recorded \$246.5 million and \$235.7 million in State appropriations for fiscal year 2023 and 2022, respectively. State of New Jersey appropriations increased \$10.8 million of which \$22.1 million was fringe benefits as a result of an increased fringe rate, \$5.8 million was a base appropriation increase and \$5.0 million increase for SVM offset by a decrease in the State of New Jersey appropriations for OPEB, CMSRU, and SOM of \$17.8 million, \$1.3 million, and \$3.0 million, respectively. Investment income increase of \$17.7 million due to overall improvement in the market.

### *Fiscal Year 2022 Compared to 2021*

Nonoperating revenues (net) for the years ended June 30, 2022 and 2021 totaled \$250.8 million and \$230.1 million, respectively, which is a \$20.7 million increase. The primary source of the increase was State of New Jersey appropriations which include the University base appropriation as well as appropriations for CMSRU, SOM, SVM, other postemployment benefits (OPEB) revenues and the State paid fringe benefits. The University recorded \$235.7 million and \$191.9 million in State appropriations for fiscal year 2022 and 2021, respectively. State of New Jersey appropriations increased \$43.8 million of which \$20.8 million was fringe benefits as a result of an increased fringe rate and additional state authorized positions, \$8.5 million was a base appropriation increase, \$7.6 million was for SOM, \$4.3 million was for CMSRU and \$7.0 million for SVM, offset by a decrease in OPEB revenues of \$4.3 million. The increase in appropriations was offset by a decrease of \$13.5 million and \$10.2 million in investment income and other nonoperating revenue, respectively. The decrease in investment income was primarily related to the overall decline in the market. The decrease in other nonoperating revenue is related to the recognition of the federal aid awarded through the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act of 2021 (ARP).

## Operating Expenses

Operating expenses are defined as expenses paid by the University to acquire or produce goods and services used to carry out its mission, in return for operating revenues. For the years ended June 30, 2023 and 2022, the University incurred operating expenses totaling \$717.2 million and \$690.4 million, respectively. The increase of \$26.8 million in operating expenses for fiscal year 2023 versus 2022 is an 3.9% increase from the prior year.

The increase of \$26.8 million is primarily driven by a \$40.1 million increase in non-grant salary and benefits, a \$26.9 million increase in non-student aid operating expenditures, offset by a \$23.4 million decrease in student aid and a \$17.8 million decrease in OPEB.

A summary of operating expenses for the years ended June 30, 2023, 2022 and 2021 follows:

|                                      | Summary of Expenses<br>(in thousands) |                        |            |                        |            |                        |
|--------------------------------------|---------------------------------------|------------------------|------------|------------------------|------------|------------------------|
|                                      | 2023                                  |                        | 2022       |                        | 2021       |                        |
|                                      | Amount                                | Percentage<br>of total | Amount     | Percentage<br>of total | Amount     | Percentage<br>of total |
| Instruction                          | \$ 217,266                            | 30.2 %                 | \$ 199,460 | 28.9 %                 | \$ 183,554 | 29.3 %                 |
| Research                             | 34,888                                | 4.9                    | 28,552     | 4.1                    | 26,855     | 4.3                    |
| Public service                       | 19,741                                | 2.8                    | 18,029     | 2.6                    | 17,186     | 2.8                    |
| Academic support                     | 66,165                                | 9.2                    | 56,512     | 8.2                    | 49,465     | 7.9                    |
| Student services                     | 44,291                                | 6.2                    | 38,290     | 5.5                    | 34,149     | 5.5                    |
| Institutional support                | 124,187                               | 17.3                   | 103,875    | 15.0                   | 78,311     | 12.5                   |
| Operation and maintenance of plant   | 44,999                                | 6.3                    | 39,944     | 5.8                    | 37,440     | 6.0                    |
| Student aid                          | 23,991                                | 3.3                    | 47,362     | 6.9                    | 33,220     | 5.3                    |
| Professional services and contracts  | 43,103                                | 6.0                    | 48,783     | 7.1                    | 53,451     | 8.6                    |
| Auxiliary enterprises                | 47,780                                | 6.7                    | 41,957     | 6.1                    | 42,875     | 6.9                    |
| Other Postemployment Benefits (OPEB) | (12,157)                              | (1.7)                  | 5,621      | 0.8                    | 9,961      | 1.6                    |
| Depreciation and amortization        | 62,985                                | 8.8                    | 62,010     | 9.0                    | 57,845     | 9.3                    |
| Total operating expenses             | \$ 717,239                            | 100.0 %                | \$ 690,395 | 100.0 %                | \$ 624,312 | 100.0 %                |

## Capital Assets and Debt Activities

The University continues to manage its financial resources so as to ensure adequate financial flexibility to access the capital markets as needed. The University maintains debt ratings from Standard and Poor's and Moody's Investors Service of A and A2, respectively.

As of June 30, 2023 and 2022, the University had \$196.5 million and \$174.8 million, respectively in net investment in capital assets. Outstanding long-term debt as of June 30, 2023 is \$855.8 million, compared to \$808.2 million as of June 30, 2022.

Significant transactions related to capital assets and bonded debt that occurred during fiscal year 2023 and 2022 were as follows:

In November 2022, due to the purchase and blended financial reporting of MACQ – New Jersey I, LLC, the financed purchase obligations for SORA Housing LLC, SORA Retail LLC, and SORA A-1 Housing Urban Renewal Entity LLC are treated as refinanced debt using the IDA series 2022A bonds. The 2022 tax exempt lease revenue refunding bonds totaled \$191.4 million with a coupon rate of 2.80% and maturing through 2042. The proceeds from these bond issuances were used to refinance the debt associated with the University's financed purchases related to MACQ – New Jersey I, LLC. The principal amounts of these bonds were \$187.8 million as of June 30, 2023.

In November 2022, the IDA issued Rowan University Series 2022B Bonds. The 2022 tax exempt lease revenue bonds totaled \$14.0 million with a coupon rate of 3.97% and maturing through 2042. The proceeds from these bond issuances were used to finance the costs of Rowan University acquiring the lease revenue bonds through the acquisition of the sole membership interest of MACQ – New Jersey I, LLC and cover the issuance costs of the IDA Series 2022A and Series 2022B. The principal amounts of these bonds were \$13.6 million as of June 30, 2023.

In fiscal year 2022, the University's 2019 parking license agreement with the GCIA commenced. GCIA constructed a multi-level parking garage consisting of approximately 1,025 parking spaces. The University's agreement pertains to 507 parking spaces. The term of the agreement is 30 years, or such time as any bonds, notes or other indebtedness issued to finance or refinance the parking garage are no longer outstanding. The University has a financed purchase payable of \$14.5 million and \$14.8 million as of June 30, 2023 and June 30, 2022, respectively.

The net capital assets related to the implementation of GASB 87 were \$116.4 million and \$122.4 million as of June 30, 2023 and 2022, respectively. The net capital assets associated with GASB 87 are included in the net investment in capital fund balance.

The net capital assets related to the implementation of GASB 96 were \$6.8 million and \$7.6 million as of June 30, 2023 and 2022, respectively. The net capital assets associated with GASB 96 are included in the net investment in capital fund balance.

### **Economic Outlook**

Rowan University's mission is to become a new model for higher education by being inclusive, agile, and responsive, offering diverse scholarly and creative educational experiences, pathways, environments, and services to meet the needs of all students; maintaining agility by strategically delivering organizational capacity across the institution; and responding to emerging demands and opportunities regionally and nationally. The University engages in continuous strategic planning in response to the dynamic context of higher education.

The University engages in continuous strategic planning in response to the dynamic context of higher education. A concise planning framework is utilized that identifies key external and internal factors that shape the strategic direction of the University, sets long-term goals, articulates operational values, and identifies key performance indicators. At the center of the plan are the four strategic pillars:

**Access** - We are committed to expanding quality educational opportunities for students by increasing our enrollment capacity; supporting student success; utilizing an increasing array of pedagogies and platforms; and creating new pathways to undergraduate, graduate, post-graduate, and professional studies.

**Affordability** - We are committed to keeping education affordable by managing costs; diversifying our revenue streams; reducing student debt; limiting tuition increases to the rate of inflation as measured by the consumer price index; and enhancing internship and employment opportunities for our students and graduates.

**Quality** - We are committed to providing rigorous, experiential, and engaging educational experiences; support for scholarly, creative, and research activities; a vibrant and healthy campus life; a rich intellectual, cultural, and artistic environment; and a safe, supportive, and inclusive culture that respects and values the diversity of all of its members.

**Economic Engine** - We are committed to benefiting our local and state communities by making every effort to partner with and invest in regional businesses and organizations that contribute in meaningful ways to furthering our mission; preparing an educated citizenry and skilled workforce; enhancing the health of our citizens and the quality of life; and developing innovative products, services, and ideas.

The four pillars express the University's priorities and guide planning and resource allocation. The functional groups involved in design and execution of the strategic plan include the Board of Trustees, the Executive Cabinet, the Administrative Cabinet, and the Deans' Council. The University Senate and University Budget and Planning Committee are representative bodies charged with engaging the campus community in the strategic planning process. The Office of the Provost oversees institutional data management and analytics to assess performance and inform decision-making. Through the process of continuing strategic planning and self-assessment, the University is committed in its efforts to continue to enrich the lives of those in the campus community and surrounding region.

Historical trends may not be indicative of future results for the foreseeable future. The University's inclusive, agile, and responsive strategic planning framework optimizes its capacity to anticipate uncertainties and to pivot to address new challenges and capitalize on emergent opportunities.

State appropriations remain a vital source of funding for the University and fiscal year 2024 appropriations increased over fiscal year 2023 levels. With increasing costs, particularly resulting from contractual obligations with faculty and staff and debt service, the University faces critical funding issues. Additionally, the University's desire to increase institutionally funded scholarships, continue building its academic program excellence and improve its capital assets will also impact the University's financial outlook.

The University continues to monitor local and national economic conditions as well as demographic changes that may impact the student-age population and the percentage of that population that pursues a college degree. The University will continue to meet the goals of its mission by monitoring operating costs and capital expenditures while seeking additional revenue sources. The University will continue to monitor the situation and maintain a close watch over resources so as to provide the University with the ability to react to potential budgetary challenges that may occur.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)

Statement of Net Position

June 30, 2023

| Assets  | Rowan University      | Rowan University Foundation | South Jersey Technology Park at Rowan University, Inc. | Total                |
|---|-----------------------|-----------------------------|--|----------------------|
| Current assets:   |                       |                             |  |                      |
| Cash and cash equivalents (notes 2 and 13)                                    | \$ 33,835,246         | 12,178,080                  | 1,062,059  | 47,075,385           |
| Restricted cash and cash equivalents (notes 2 and 13)                         | 12,386,394            | 8,561,235                   | —  | 20,947,629           |
| Receivables:  |                       |                             |  |                      |
| Students, less allowance of \$3,197,728                                       | 10,617,276            | —                           | —  | 10,617,276           |
| Contributions, less allowance of \$4,700                                      | —                     | 2,358                       | —  | 2,358                |
| Restricted contributions, less allowance of \$55,529                          | —                     | 39,828                      | —  | 39,828               |
| Grants  | 22,789,080            | —                           | —  | 22,789,080           |
| State of New Jersey   | 10,319,015            | —                           | —  | 10,319,015           |
| Professional services and contracts receivable, less allowance of \$3,975,699 | 5,305,788             | —                           | —  | 5,305,788            |
| Due from Rowan component unit   | 847,779               | —                           | 136,409  | 984,188              |
| Leases  | 568,185               | —                           | —  | 568,185              |
| Leases with Rowan component unit  | —                     | —                           | 856,566  | 856,566              |
| Interest and other, less allowance of \$246,326                               | 3,505,400             | 23,191                      | —  | 3,528,591            |
| Total receivables   | 53,952,523            | 65,377                      | 992,975  | 55,010,875           |
| Restricted deposits held by trustees (note 3)                                 | 26,893,768            | —                           | —  | 26,893,768           |
| Investments, at fair value (note 2)   | 99,324,168            | —                           | —  | 99,324,168           |
| Other current assets  | 8,825,768             | —                           | 1,582  | 8,827,350            |
| Total current assets  | <u>235,217,867</u>    | <u>20,804,692</u>           | <u>2,056,616</u>                                       | <u>258,079,175</u>   |
| Noncurrent assets:  |                       |                             |  |                      |
| Restricted cash and cash equivalents (note 2)                                 | 73,080,035            | —                           | —  | 73,080,035           |
| Restricted deposits held by trustees (note 3)                                 | 39,276,861            | —                           | —  | 39,276,861           |
| Investments, at fair value (notes 2 and 13)                                   | 116,269,485           | 68,529,098                  | —  | 184,798,583          |
| Restricted investments, at fair value (note 13)                               | —                     | 48,176,210                  | —  | 48,176,210           |
| Restricted nonexpendable investments, at fair value (note 13)                 | —                     | 252,436,857                 | —  | 252,436,857          |
| Loans receivable  | 1,935,354             | —                           | —  | 1,935,354            |
| Other non current assets  | 1,261,475             | —                           | —  | 1,261,475            |
| Contributions receivable, less allowance of \$3,287                           | —                     | 62,453                      | —  | 62,453               |
| Due from Rowan component unit   | 187,265               | —                           | —  | 187,265              |
| Restricted contributions receivable, less allowance of \$83,105               | —                     | 1,579,005                   | —  | 1,579,005            |
| Leases receivables  | 604,724               | —                           | —  | 604,724              |
| Lease receivables with Rowan component unit                                   | 2,828,709             | —                           | 15,573,550   | 18,402,259           |
| Capital assets, net (notes 4 and 11)  | <u>1,046,710,914</u>  | <u>—</u>                    | <u>11,855,686</u>                                      | <u>1,058,566,600</u> |
| Total noncurrent assets   | <u>1,282,154,822</u>  | <u>370,783,623</u>          | <u>27,429,236</u>                                      | <u>1,680,367,681</u> |
| Total assets  | <u>1,517,372,689</u>  | <u>391,588,315</u>          | <u>29,485,852</u>                                      | <u>1,938,446,856</u> |
| Deferred Outflows of Resources  |                       |                             |  |                      |
| Deferred outflows of resources:   |                       |                             |  |                      |
| Pensions related (note 6)   | 47,240,656            | —                           | —  | 47,240,656           |
| Loss on bond refinancing  | 90,383,336            | —                           | —  | 90,383,336           |
| Total deferred outflows of resources  | <u>137,623,992</u>    | <u>—</u>                    | <u>—</u>   | <u>137,623,992</u>   |
| Liabilities   |                       |                             |  |                      |
| Current liabilities (note 9):   |                       |                             |  |                      |
| Accounts payable and accrued expenses (note 7)                                | 83,341,184            | 116,991                     | 69,516   | 83,527,691           |
| Due to University/ component units  | 136,409               | 647,484                     | 200,295  | 984,188              |
| Unearned revenue  | 38,280,239            | —                           | —  | 38,280,239           |
| Annuities payable – current portion   | —                     | 37,530                      | —  | 37,530               |
| Leases with Rowan component unit (note 8)                                     | 856,566               | —                           | —  | 856,566              |
| Long-term debt – current portion (note 8)                                     | 59,418,674            | —                           | 253,341  | 59,672,015           |
| Total current liabilities   | <u>182,033,072</u>    | <u>802,005</u>              | <u>523,152</u>   | <u>183,358,229</u>   |
| Noncurrent liabilities (note 9):  |                       |                             |  |                      |
| Compensated absences – noncurrent portion (note 11)                           | 2,739,755             | —                           | —  | 2,739,755            |
| Due to University/ component units  | —                     | —                           | 187,265  | 187,265              |
| Unearned revenue  | 81,037,334            | —                           | —  | 81,037,334           |
| Other liabilities   | 21,642,406            | —                           | —  | 21,642,406           |
| Repurchase liability  | 3,220,000             | —                           | —  | 3,220,000            |
| Deposits held in custody for others   | 2,928,211             | —                           | —  | 2,928,211            |
| Annuities payable – noncurrent portion  | —                     | 247,067                     | —  | 247,067              |
| Net pension liabilities (note 6)  | 284,644,784           | —                           | —  | 284,644,784          |
| Leases with Rowan component unit - noncurrent portion (note 8)                | 15,573,550            | —                           | 2,828,709  | 18,402,259           |
| Long-term debt – noncurrent portion (note 8)                                  | 796,409,004           | —                           | 3,370,262  | 799,779,266          |
| Total noncurrent liabilities  | <u>1,208,195,044</u>  | <u>247,067</u>              | <u>6,386,236</u>                                       | <u>1,214,828,347</u> |
| Total liabilities   | <u>1,390,228,116</u>  | <u>1,049,072</u>            | <u>6,909,388</u>                                       | <u>1,398,186,576</u> |
| Deferred Inflows of Resources   |                       |                             |  |                      |
| Deferred inflows of resources:  |                       |                             |  |                      |
| Pensions related (note 6)   | 29,314,663            | —                           | —  | 29,314,663           |
| Gain on bond refinancing  | 48,013                | —                           | —  | 48,013               |
| Developer contribution  | 5,161,667             | —                           | —  | 5,161,667            |
| Service concession arrangement (note 11)                                      | 93,554,577            | —                           | —  | 93,554,577           |
| Leases (note 12)  | 2,502,803             | —                           | —  | 2,502,803            |
| Leases with Rowan component unit (note 12)                                    | 2,553,135             | —                           | 15,571,478   | 18,124,613           |
| Split interest agreements   | —                     | 114,342                     | —  | 114,342              |
| Total deferred inflows of resources   | <u>133,134,858</u>    | <u>114,342</u>              | <u>15,571,478</u>                                      | <u>148,820,678</u>   |
| Net Position  |                       |                             |  |                      |
| Net investment in capital assets  | 196,471,742           | —                           | 5,025,173  | 201,496,915          |
| Restricted:   |                       |                             |  |                      |
| Nonexpendable (note 13)   | —                     | 252,436,857                 | —  | 252,436,857          |
| Expendable:   |                       |                             |  |                      |
| Debt service and reserve  | 20,136,217            | —                           | —  | 20,136,217           |
| Other scholarships  | —                     | 20,151,570                  | —  | 20,151,570           |
| Other   | 16,679,623            | 37,828,960                  | —  | 54,508,583           |
| Unrestricted  | (101,653,875)         | 80,007,514                  | 1,979,813  | (19,666,548)         |
| Total net position  | <u>\$ 131,633,707</u> | <u>390,424,901</u>          | <u>7,004,986</u>                                       | <u>529,063,594</u>   |

See accompanying notes to the financial statements.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)

Statement of Net Position

June 30, 2022

| Assets  | Rowan University      | Rowan University Foundation | South Jersey Technology Park at Rowan University, Inc. | Total                |
|---|-----------------------|-----------------------------|--|----------------------|
| Current assets:   |                       |                             |  |                      |
| Cash and cash equivalents (notes 2 and 13)                                    | \$ 69,739,476         | 10,207,894                  | 1,316,456  | 81,263,826           |
| Restricted cash and cash equivalents (notes 2 and 13)                         | 8,551,249             | 6,319,136                   | —  | 14,870,385           |
| Receivables:  |                       |                             |  |                      |
| Students, less allowance of \$2,727,214                                       | 8,192,383             | —                           | —  | 8,192,383            |
| Contributions, less allowance of \$7,765                                      | —                     | 11,327                      | —  | 11,327               |
| Restricted contributions, less allowance of \$92,154                          | —                     | 315,566                     | —  | 315,566              |
| Grants  | 28,096,301            | —                           | —  | 28,096,301           |
| State of New Jersey   | 10,317,888            | —                           | —  | 10,317,888           |
| Professional services and contracts receivable, less allowance of \$5,538,061 | 8,889,311             | —                           | —  | 8,889,311            |
| Due from Rowan component unit   | 643,667               | —                           | 132,863  | 776,530              |
| Leases  | 86,188                | —                           | —  | 86,188               |
| Leases with Rowan component unit  | —                     | —                           | 821,450  | 821,450              |
| Interest and other, less allowance of \$64,555                                | 2,689,306             | 224,499                     | —  | 2,913,805            |
| Total receivables   | 58,915,044            | 551,392                     | 954,313  | 60,420,749           |
| Restricted deposits held by trustees (note 3)                                 | 24,489,595            | —                           | —  | 24,489,595           |
| Investments, at fair value (note 2)   | 83,826,578            | —                           | —  | 83,826,578           |
| Other current assets  | 6,832,780             | 5,000                       | 1,459  | 6,839,239            |
| Total current assets  | <u>252,354,722</u>    | <u>17,083,422</u>           | <u>2,272,228</u>                                       | <u>271,710,372</u>   |
| Noncurrent assets:  |                       |                             |  |                      |
| Restricted cash and cash equivalents (note 2)                                 | 74,950,242            | —                           | —  | 74,950,242           |
| Restricted deposits held by trustees (note 3)                                 | 73,826,627            | —                           | —  | 73,826,627           |
| Investments, at fair value (notes 2 and 13)                                   | 120,296,649           | 67,774,081                  | —  | 188,070,730          |
| Restricted investments, at fair value (note 13)                               | —                     | 41,955,145                  | —  | 41,955,145           |
| Restricted nonexpendable investments, at fair value (note 13)                 | —                     | 221,180,190                 | —  | 221,180,190          |
| Loans receivable  | 2,135,925             | —                           | —  | 2,135,925            |
| Other non current assets  | 800,000               | —                           | —  | 800,000              |
| Contributions receivable, less allowance of \$3,878                           | —                     | 73,689                      | —  | 73,689               |
| Due from Rowan component unit   | 370,826               | —                           | —  | 370,826              |
| Restricted contributions receivable, less allowance of \$112,388              | —                     | 2,135,378                   | —  | 2,135,378            |
| Leases receivables  | 241,540               | —                           | —  | 241,540              |
| Lease receivables with Rowan component unit                                   | 2,794,971             | —                           | 16,430,117   | 19,225,088           |
| Capital assets, net (notes 4 and 11)  | <u>1,037,581,261</u>  | <u>—</u>                    | <u>12,004,113</u>                                      | <u>1,049,585,374</u> |
| Total noncurrent assets   | <u>1,312,998,041</u>  | <u>333,118,483</u>          | <u>28,434,230</u>                                      | <u>1,674,550,754</u> |
| Total assets  | <u>1,565,352,763</u>  | <u>350,201,905</u>          | <u>30,706,458</u>                                      | <u>1,946,261,126</u> |
| Deferred Outflows of Resources  |                       |                             |  |                      |
| Deferred outflows of resources:   |                       |                             |  |                      |
| Pensions related (note 6)   | 46,967,537            | —                           | —  | 46,967,537           |
| Loss on bond refinancing  | 14,567,651            | —                           | —  | 14,567,651           |
| Total deferred outflows of resources  | <u>61,535,188</u>     | <u>—</u>                    | <u>—</u>   | <u>61,535,188</u>    |
| Liabilities   |                       |                             |  |                      |
| Current liabilities (note 9):   |                       |                             |  |                      |
| Accounts payable and accrued expenses (note 7)                                | 81,921,837            | 97,766                      | 29,760   | 82,049,363           |
| Due to University/ component units  | 132,863               | 457,749                     | 185,918  | 776,530              |
| Unearned revenue  | 35,157,933            | —                           | —  | 35,157,933           |
| Annuities payable – current portion   | —                     | 29,230                      | —  | 29,230               |
| Leases with Rowan component unit (note 8)                                     | 846,559               | —                           | —  | 846,559              |
| Long-term debt – current portion (note 8)                                     | 29,934,389            | —                           | 247,555  | 30,181,944           |
| Total current liabilities   | <u>147,993,581</u>    | <u>584,745</u>              | <u>463,233</u>   | <u>149,041,559</u>   |
| Noncurrent liabilities (note 9):  |                       |                             |  |                      |
| Compensated absences – noncurrent portion (note 11)                           | 2,737,580             | —                           | —  | 2,737,580            |
| Due to University/ component units  | —                     | —                           | 370,826  | 370,826              |
| Unearned revenue  | 83,749,898            | —                           | —  | 83,749,898           |
| Other liabilities   | 23,511,869            | —                           | —  | 23,511,869           |
| Repurchase liability  | 3,220,000             | —                           | —  | 3,220,000            |
| Deposits held in custody for others   | 3,331,313             | —                           | —  | 3,331,313            |
| Annuities payable – noncurrent portion  | —                     | 192,907                     | —  | 192,907              |
| Net pension liabilities (note 6)  | 276,489,837           | —                           | —  | 276,489,837          |
| Leases with Rowan component unit - noncurrent portion (note 8)                | 16,238,170            | —                           | 2,794,971  | 19,033,141           |
| Long-term debt – noncurrent portion (note 8)                                  | 778,251,992           | —                           | 3,623,603  | 781,875,595          |
| Total noncurrent liabilities  | <u>1,187,530,659</u>  | <u>192,907</u>              | <u>6,789,400</u>                                       | <u>1,194,512,966</u> |
| Total liabilities   | <u>1,335,524,240</u>  | <u>777,652</u>              | <u>7,252,633</u>                                       | <u>1,343,554,525</u> |
| Deferred Inflows of Resources   |                       |                             |  |                      |
| Deferred inflows of resources:  |                       |                             |  |                      |
| Pensions related (note 6)   | 55,712,665            | —                           | —  | 55,712,665           |
| Gain on bond refinancing  | 72,019                | —                           | —  | 72,019               |
| Developer contribution  | 5,433,333             | —                           | —  | 5,433,333            |
| Service concession arrangement (note 11)                                      | 96,509,693            | —                           | —  | 96,509,693           |
| Leases (note 12)  | 1,712,332             | —                           | —  | 1,712,332            |
| Leases with Rowan component unit (note 12)                                    | 2,599,555             | —                           | 16,645,373   | 19,244,928           |
| Split interest agreements   | —                     | 78,986                      | —  | 78,986               |
| Total deferred inflows of resources   | <u>162,039,597</u>    | <u>78,986</u>               | <u>16,645,373</u>                                      | <u>178,763,956</u>   |
| Net Position  |                       |                             |  |                      |
| Net investment in capital assets  | 174,782,250           | —                           | 4,813,831  | 179,596,081          |
| Restricted:   |                       |                             |  |                      |
| Nonexpendable (note 13)   | —                     | 221,180,190                 | —  | 221,180,190          |
| Expendable:   |                       |                             |  |                      |
| Debt service and reserve  | 20,706,172            | —                           | —  | 20,706,172           |
| Other scholarships  | —                     | 18,201,318                  | —  | 18,201,318           |
| Other   | 8,538,099             | 32,452,284                  | —  | 40,990,383           |
| Unrestricted  | (74,702,407)          | 77,511,475                  | 1,994,621  | 4,803,689            |
| Total net position  | <u>\$ 129,324,114</u> | <u>349,345,267</u>          | <u>6,808,452</u>                                       | <u>485,477,833</u>   |

See accompanying notes to the financial statements.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

|  | Rowan<br>University   | Rowan<br>University<br>Foundation | South Jersey<br>Technology<br>Park at Rowan<br>University, Inc. | Total                |
|--|-----------------------|-----------------------------------|---|----------------------|
| <b>Operating revenues:</b>                             |                       |                                   |   |                      |
| Net student revenues:                                  |                       |                                   |   |                      |
| Tuition and fees                                       | \$ 315,702,761        | —                                 | —   | 315,702,761          |
| Auxiliary enterprises                                  | 58,772,363            | —                                 | —   | 58,772,363           |
| Less scholarship allowances                            | (91,123,206)          | —                                 | —   | (91,123,206)         |
| Net student revenues                                   | 283,351,918           | —                                 | —   | 283,351,918          |
| Grants   | 126,288,443           | —                                 | —   | 126,288,443          |
| Self-funded programs                                   | 6,106,017             | —                                 | —   | 6,106,017            |
| Fundraising events                                     | —                     | 44,928                            | —   | 44,928               |
| Contributions  | —                     | 6,134,713                         | —   | 6,134,713            |
| Professional services and contracts, net (note 10)     | 50,481,365            | —                                 | —   | 50,481,365           |
| Rental income (note 14)                                | —                     | —                                 | 1,107,375   | 1,107,375            |
| Other operating revenues                               | 4,693,269             | 152,759                           | —   | 4,846,028            |
| Other auxiliary  | 1,175,181             | —                                 | —   | 1,175,181            |
| Total operating revenues                               | <u>472,096,193</u>    | <u>6,332,400</u>                  | <u>1,107,375</u>  | <u>479,535,968</u>   |
| <b>Operating expenses:</b>                             |                       |                                   |   |                      |
| Instruction  | 217,266,184           | —                                 | —   | 217,266,184          |
| Research   | 34,888,177            | —                                 | —   | 34,888,177           |
| Public service   | 19,741,150            | —                                 | —   | 19,741,150           |
| Academic support                                       | 66,165,004            | —                                 | —   | 66,165,004           |
| Student services                                       | 44,291,199            | —                                 | —   | 44,291,199           |
| Institutional support                                  | 124,187,011           | 348,808                           | 636,562   | 125,172,381          |
| Operation and maintenance of plant                     | 44,998,612            | —                                 | —   | 44,998,612           |
| Student aid  | 23,990,711            | —                                 | —   | 23,990,711           |
| Professional services and contracts                    | 43,103,168            | —                                 | —   | 43,103,168           |
| Auxiliary enterprises                                  | 47,780,046            | —                                 | —   | 47,780,046           |
| Other Postemployment Benefits (OPEB) (note 6)          | (12,157,072)          | —                                 | —   | (12,157,072)         |
| Depreciation and amortization                          | 62,985,421            | —                                 | 529,312   | 63,514,733           |
| Total operating expenses                               | <u>717,239,611</u>    | <u>348,808</u>                    | <u>1,165,874</u>  | <u>718,754,293</u>   |
| Operating (loss) income                                | <u>(245,143,418)</u>  | <u>5,983,592</u>                  | <u>(58,499)</u>   | <u>(239,218,325)</u> |
| <b>Nonoperating revenues (expenses):</b>               |                       |                                   |   |                      |
| State of New Jersey appropriations                     | 53,682,000            | —                                 | —   | 53,682,000           |
| State of New Jersey appropriations – CMSRU             | 20,208,232            | —                                 | —   | 20,208,232           |
| State of New Jersey appropriations – Rowan-Virtua SOM  | 33,745,192            | —                                 | —   | 33,745,192           |
| State of New Jersey appropriations – Veterinary School | 12,000,000            | —                                 | —   | 12,000,000           |
| State of New Jersey appropriations – OPEB (note 6)     | (12,157,072)          | —                                 | —   | (12,157,072)         |
| State of New Jersey fringe benefits (note 5)           | 139,071,078           | —                                 | —   | 139,071,078          |
| Student scholarships                                   | —                     | (3,738,943)                       | —   | (3,738,943)          |
| Gifts from Rowan University Foundation (note 13)       | 14,373,224            | (14,373,224)                      | —   | —                    |
| Other grants   | —                     | (6,376)                           | —   | (6,376)              |
| Investment income, net                                 | 11,717,595            | 22,051,233                        | 28,967  | 33,797,795           |
| Interest on capital asset related debt                 | (30,500,692)          | —                                 | (184,942)   | (30,685,634)         |
| Other nonoperating revenues, net                       | 3,397,907             | —                                 | 411,008   | 3,808,915            |
| Net nonoperating revenues                              | <u>245,537,464</u>    | <u>3,932,690</u>                  | <u>255,033</u>  | <u>249,725,187</u>   |
| Income before other revenues                           | <u>394,046</u>        | <u>9,916,282</u>                  | <u>196,534</u>  | <u>10,506,862</u>    |
| Capital grants and gifts                               | 1,915,547             | —                                 | —   | 1,915,547            |
| Additions to permanent endowments                      | —                     | 31,163,352                        | —   | 31,163,352           |
| Increase in net position                               | 2,309,593             | 41,079,634                        | 196,534   | 43,585,761           |
| Net position as of beginning of year                   | 129,324,114           | 349,345,267                       | 6,808,452   | 485,477,833          |
| Net position as of end of year                         | <u>\$ 131,633,707</u> | <u>390,424,901</u>                | <u>7,004,986</u>  | <u>529,063,594</u>   |

See accompanying notes to the financial statements.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2022

|  | Rowan<br>University   | Rowan<br>University<br>Foundation | South Jersey<br>Technology<br>Park at Rowan<br>University, Inc. | Total                |
|--|-----------------------|-----------------------------------|---|----------------------|
| <b>Operating revenues:</b>                             |                       |                                   |   |                      |
| Net student revenues:                                  |                       |                                   |   |                      |
| Tuition and fees                                       | \$ 294,087,339        | —                                 | —   | 294,087,339          |
| Auxiliary enterprises                                  | 54,601,977            | —                                 | —   | 54,601,977           |
| Less scholarship allowances                            | (65,236,517)          | —                                 | —   | (65,236,517)         |
| Net student revenues                                   | 283,452,799           | —                                 | —   | 283,452,799          |
| Grants   | 98,332,162            | —                                 | —   | 98,332,162           |
| Self-funded programs                                   | 4,610,641             | —                                 | —   | 4,610,641            |
| Fundraising events                                     | —                     | 185,397                           | —   | 185,397              |
| Contributions  | —                     | 6,615,257                         | —   | 6,615,257            |
| Professional services and contracts, net (note 10)     | 56,574,354            | —                                 | —   | 56,574,354           |
| Rental income (note 14)                                | —                     | —                                 | 1,084,902   | 1,084,902            |
| Other operating revenues                               | 5,220,993             | 108,402                           | —   | 5,329,395            |
| Other auxiliary  | 1,019,590             | —                                 | —   | 1,019,590            |
| Total operating revenues                               | <u>449,210,539</u>    | <u>6,909,056</u>                  | <u>1,084,902</u>  | <u>457,204,497</u>   |
| <b>Operating expenses:</b>                             |                       |                                   |   |                      |
| Instruction  | 199,459,795           | —                                 | —   | 199,459,795          |
| Research   | 28,551,912            | —                                 | —   | 28,551,912           |
| Public service   | 18,029,049            | —                                 | —   | 18,029,049           |
| Academic support                                       | 56,512,033            | —                                 | —   | 56,512,033           |
| Student services                                       | 38,290,156            | —                                 | —   | 38,290,156           |
| Institutional support                                  | 103,874,595           | 314,727                           | 600,259   | 104,789,581          |
| Operation and maintenance of plant                     | 39,944,427            | —                                 | —   | 39,944,427           |
| Student aid  | 47,362,594            | —                                 | —   | 47,362,594           |
| Professional services and contracts                    | 48,782,560            | —                                 | —   | 48,782,560           |
| Auxiliary enterprises                                  | 41,956,803            | —                                 | —   | 41,956,803           |
| Other Postemployment Benefits (OPEB) (note 6)          | 5,621,231             | —                                 | —   | 5,621,231            |
| Depreciation and amortization                          | 62,009,721            | —                                 | 503,060   | 62,512,781           |
| Total operating expenses                               | <u>690,394,876</u>    | <u>314,727</u>                    | <u>1,103,319</u>  | <u>691,812,922</u>   |
| <b>Operating (loss) income</b>                         | <u>(241,184,337)</u>  | <u>6,594,329</u>                  | <u>(18,417)</u>   | <u>(234,608,425)</u> |
| <b>Nonoperating revenues (expenses):</b>               |                       |                                   |   |                      |
| State of New Jersey appropriations                     | 47,820,000            | —                                 | —   | 47,820,000           |
| State of New Jersey appropriations – CMSRU             | 21,496,580            | —                                 | —   | 21,496,580           |
| State of New Jersey appropriations – Rowan-Virtua SOM  | 36,751,231            | —                                 | —   | 36,751,231           |
| State of New Jersey appropriations – Veterinary School | 7,000,000             | —                                 | —   | 7,000,000            |
| State of New Jersey appropriations – OPEB (note 6)     | 5,621,231             | —                                 | —   | 5,621,231            |
| State of New Jersey fringe benefits (note 5)           | 117,004,419           | —                                 | —   | 117,004,419          |
| Student scholarships                                   | —                     | (2,906,009)                       | —   | (2,906,009)          |
| Gifts from Rowan University Foundation (note 13)       | 13,844,804            | (13,844,804)                      | —   | —                    |
| Other grants   | —                     | (3,964)                           | —   | (3,964)              |
| Investment (loss) income, net                          | (5,970,039)           | (14,339,560)                      | 1,072   | (20,308,527)         |
| Interest on capital asset related debt                 | (37,299,286)          | —                                 | (193,335)   | (37,492,621)         |
| Other nonoperating revenues, net                       | 44,525,474            | —                                 | 430,708   | 44,956,182           |
| Net nonoperating revenues (expenses)                   | <u>250,794,414</u>    | <u>(31,094,337)</u>               | <u>238,445</u>  | <u>219,938,522</u>   |
| <b>Income (loss) before other revenues</b>             | <u>9,610,077</u>      | <u>(24,500,008)</u>               | <u>220,028</u>  | <u>(14,669,903)</u>  |
| <b>Capital grants and gifts</b>                        | <u>153,523</u>        | <u>—</u>                          | <u>—</u>  | <u>153,523</u>       |
| <b>Additions to permanent endowments</b>               | <u>—</u>              | <u>35,079,002</u>                 | <u>—</u>  | <u>35,079,002</u>    |
| <b>Increase in net position</b>                        | <u>9,763,600</u>      | <u>10,578,994</u>                 | <u>220,028</u>  | <u>20,562,622</u>    |
| <b>Net position as of beginning of year</b>            | <u>119,560,514</u>    | <u>338,766,273</u>                | <u>6,588,424</u>  | <u>464,915,211</u>   |
| <b>Net position as of end of year</b>                  | <u>\$ 129,324,114</u> | <u>349,345,267</u>                | <u>6,808,452</u>  | <u>485,477,833</u>   |

See accompanying notes to the financial statements.

**ROWAN UNIVERSITY**  
(A Component Unit of the State of New Jersey)  
Statements of Cash Flows  
(Business-Type Activities – Rowan University only)

Years ended June 30, 2023 and 2022

|  | <b>2023</b>            | <b>2022</b>         |
|--|------------------------|---------------------|
| Cash flows from operating activities:  |                        |                     |
| Student revenues   | \$ 282,364,818         | 284,318,176         |
| Government and private grants  | 133,280,173            | 96,730,273          |
| Professional services and contract   | 54,064,888             | 58,101,323          |
| Payments to suppliers  | (195,936,868)          | (204,346,508)       |
| Payments for employee salaries and benefits  | (359,136,090)          | (334,924,050)       |
| Self-funded programs and other receipts  | 6,106,017              | 4,610,641           |
| Net cash used for operating activities   | <u>(79,257,062)</u>    | <u>(95,510,145)</u> |
| Cash flows from noncapital financing activities:                                   |                        |                     |
| State of New Jersey appropriations   | 134,676,377            | 127,618,668         |
| Gifts  | 14,374,274             | 13,844,804          |
| (Payments) receipts for other noncapital assets                                    | (1,127)                | 7,039,532           |
| Receipts for other nonoperating revenues   | 293,353                | 40,495,606          |
| Net cash provided by noncapital financing activities                               | <u>149,342,877</u>     | <u>188,998,610</u>  |
| Cash flows from capital and related financing activities:                          |                        |                     |
| Proceeds from bond issuance  | 209,486,731            | 25,847,489          |
| Drawdown of restricted deposits held by trustees                                   | 32,145,593             | 31,862,096          |
| Capital grants   | —                      | 74,999,685          |
| Costs of issuance  | (715,051)              | —                   |
| Purchases of capital assets  | (71,990,033)           | (80,386,531)        |
| Principal paid on capital debt   | (237,873,004)          | (34,068,305)        |
| Interest paid on capital debt  | (34,403,143)           | (36,723,106)        |
| Net cash used for capital and related financing activities                         | <u>(103,348,907)</u>   | <u>(18,468,672)</u> |
| Cash flows from investing activities:  |                        |                     |
| Purchase of investments  | (679,289,513)          | (456,972,069)       |
| Sale of investments  | 671,349,583            | 431,580,265         |
| Interest on investments  | 7,263,730              | 3,397,834           |
| Net cash used for investing activities   | <u>(676,200)</u>       | <u>(21,993,970)</u> |
| Net (decrease) increase in cash and cash equivalents                               | <u>(33,939,292)</u>    | <u>53,025,823</u>   |
| Cash and cash equivalents as of beginning of the year                              | <u>153,240,967</u>     | <u>100,215,144</u>  |
| Cash and cash equivalents as of end of the year                                    | <u>\$ 119,301,675</u>  | <u>153,240,967</u>  |
| Reconciliation of operating loss to net cash used for operating activities:        |                        |                     |
| Operating loss   | \$ (245,143,418)       | (241,184,337)       |
| Adjustments to reconcile operating loss to net cash used for operating activities: |                        |                     |
| State paid fringe benefits   | 124,030,125            | 102,453,562         |
| State paid postemployment benefits   | (12,157,072)           | 5,621,231           |
| Depreciation and amortization expense  | 62,985,421             | 62,009,721          |
| Changes in assets and liabilities:   |                        |                     |
| Receivables  | 6,160,348              | (5,665,404)         |
| Other assets   | (1,992,988)            | (916,440)           |
| Accounts payable and accrued expenses  | 5,321,796              | 185,920             |
| Unearned revenue   | 2,325,290              | 5,675,751           |
| Other liabilities  | (1,869,463)            | (5,179,806)         |
| Deposits held in custody for others  | (403,102)              | (574,180)           |
| Compensated absences – noncurrent portion  | 2,175                  | (178,082)           |
| Net pension liability, net of deferred amounts                                     | (18,516,174)           | (17,758,081)        |
| Net cash used for operating activities   | <u>\$ (79,257,062)</u> | <u>(95,510,145)</u> |
| Noncash transaction:   |                        |                     |
| Unrealized gain (loss) on investments  | \$ 4,899,304           | (6,940,181)         |
| Decrease in deferred inflows of resources - service concession arrangement         | (2,091,677)            | (3,429,780)         |
| State of New Jersey paid fringe benefits   | 124,030,125            | 102,453,562         |
| State of New Jersey paid other postemployment benefits                             | (12,157,072)           | 5,621,231           |
| Right-of-use asset additions   | 4,096,731              | 10,847,489          |

See accompanying notes to the financial statements.

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

Rowan University (the University), formerly Rowan College of New Jersey, was founded in 1923 and effective July 1, 1967, came under the general policy control of the New Jersey Board of Higher Education. Under the Higher Education Act of 1966, the University and all the other New Jersey State colleges became multipurpose institutions of higher education with an emphasis on the liberal arts and sciences and various professional areas including the science of education and the art of teaching. The operation and management of the University is vested in the University's Board of Trustees.

The University is recognized as a public institution by the State of New Jersey (the State). Under the law, the University is an instrumentality of the State with a high degree of autonomy. However, the University is considered a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the University are included in the State's Annual Comprehensive Financial Report (ACFR).

On August 22, 2012 Governor Christie signed the "New Jersey Medical and Health Sciences Education Restructuring Act" (the Law) into law. Effective July 1, 2013, SOM in Stratford, NJ (formerly under the University of Medicine and Dentistry of New Jersey (UMDNJ)) was integrated with the University. The Law also established the University as a public research institution.

**(b) Summary of Significant Accounting Policies**

**(i) Basis of Presentation**

The accounting policies of the University conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities. The University reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – an amendment of GASB Statement No. 34* (GASB 35), establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- *Net investment in capital assets*: Capital assets, including public-private partnerships, leases and similar subscription-based information technology (IT) arrangements, net of accumulated depreciation, capital related payables, outstanding principal balances and interest of debt and deposits held by trustees attributable to the acquisition, construction, or improvement of those assets.
- *Restricted*:

*Nonexpendable* – Net position subject to externally imposed stipulations that must be maintained permanently by the University.

*Expendable* – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to the stipulations or that expire by the passage of time.

- *Unrestricted*: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the University Board of Trustees.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

(ii) *Measurement Focus and Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting utilizing the economic resources measurement focus. The University reports as a business-type activity, as defined by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34). Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

(iii) *Cash and Cash Equivalents*

The University classifies as cash equivalents, funds that are in short-term, highly liquid investments, and are readily convertible to known amounts of cash with a portfolio maturity of one year or less.

The University maintains portions of its cash with three custodians, one bank and the State of New Jersey Cash Management Fund (NJCMF). All are interest-bearing accounts from which the funds are available upon demand.

(iv) *Investments*

Investments are reflected at fair value. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Realized and unrealized gains and losses are reported in investment income.

(v) *Capital Assets (Excluding Right-of-use Lease and Subscription-based IT Assets)*

Capital assets include land, land improvements, buildings, and equipment. Such assets are recorded at historical cost. Bulk equipment with a unit cost under \$5,000, land improvements, and building improvements costing over \$50,000, as well as equipment with a unit cost over \$5,000 are capitalized. Donated capital assets, including artwork, are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset are not capitalized. Major outlays for capital assets are capitalized as projects are constructed. Artwork is considered inexhaustible and is not depreciated. Capital assets are depreciated using the straight-line method over the following useful lives:

| Capital Asset     | Useful lives |
|-------------------|--------------|
| Land improvements | 20 years     |
| Buildings         | 20–40 years  |
| Equipment         | 2–20 years   |

(vi) *Leases and Similar Subscription-based IT Arrangements*

The University is a lessee for various noncancelable leases of buildings and equipment and a lessor for various noncancelable building and land leases. The University also has noncancelable subscription-based IT arrangements (similar to a lease) for the right-to-use IT hardware and software (subscription IT arrangements).

Short-term Leases and Subscription IT Arrangements

For leases and subscription IT arrangements with a maximum possible term of 12 months or less at commencement, the University recognizes expense or revenue based on the provisions of the lease contract or subscription IT arrangement, respectively.

Leases and Subscription IT Arrangements Other Than Short-term

For all other leases and subscription IT arrangements, the University recognizes a lease or subscription IT liability, respectively, and an intangible right-of-use lease or subscription IT asset, respectively. As a lessor, a lease receivable and a deferred inflow of resources are established.

*Measurement of Lease Amounts*

At lease commencement, as a lessee, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the right-of-use lease asset is amortized into depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the University is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

At lease commencement, as a lessor, the University initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, less lease payments received at or before the lease commencement date, less any lease incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflow of resources is amortized into rental income on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amounts associated with a purchase option are recognized as a receivable and an inflow of resources when the option is exercised.

*Measurement of Subscription IT Amounts*

At subscription commencement, the University initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into depreciation and amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

*Key Estimates and Judgements*

Key estimates and judgements include how the University determines (1) the discount rate it uses to calculate the present value of the expected lease and subscription payments, (2) lease and subscription term, and (3) lease and subscription payments.

- The University generally uses its estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate that the lessor/vendor charges is known. The incremental borrowing rate estimate is provided by an external financial advisor. The University's incremental borrowing rate for leases and subscription IT arrangement is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments, respectively, under similar terms at the commencement or remeasurement date. As a lessor, the University uses its own taxable rate as the discount rate.
- The lease or subscription term includes the noncancelable period of the lease or subscription IT arrangement, respectively, plus any additional periods covered by either a University or lessor/vendor unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the University and the lessor/vendor have an option to terminate or if both parties have to agree to extend are excluded from the lease or subscription term.
- Payments are evaluated by the University to determine if they should be included in the measurement of the lease and subscription IT liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as purchase options or payments for termination penalties.

*Remeasurement of Leases and Subscription Amounts*

The University monitors changes in circumstances that may require remeasurement of a lease or subscription IT arrangement. When certain changes occur that are expected to significantly affect the amount of the lease or subscription IT liability, the liability is remeasured and a corresponding adjustment is made to the lease or subscription IT asset, respectively.

*Presentation in Statement of Net Position*

Lease and subscription IT assets are reported within capital assets and lease and subscription IT liabilities are reported with long-term debt in the statement of net position.

(vii) *Deposits Held in Custody for Others*

The University holds cash and cash equivalents as custodian for the Student Government Association and the New Jersey President's Council.

(viii) *Net Pension Liability and Related Pension Amounts*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) and the Teachers' Pension and Annuity Fund (TPAF), which is a special funding situation, and additions to/deductions from PERS's, PFRS's, and TPAF's fiduciary net position have been determined on the same basis as they are reported by PERS, PFRS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS, PFRS and TPAF, please refer to the State of New Jersey, Division of Pensions and Benefits' ACFR, which can be found at: [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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(ix) *Financial Dependency*

One of the University's largest sources of revenue is appropriations from the State, which include state paid fringe benefits. The University is economically dependent on these appropriations to carry on its operations.

(x) *Student Tuition and Fees*

Student tuition and fees are presented net of scholarships applied to student accounts, while other payments made directly to students are presented as student aid expenses and are recognized in the period incurred. Student tuition and fees collected in advance of the fiscal year are recorded as unearned revenue in the accompanying statements of net position.

(xi) *Professional Services and Contract Revenues*

Professional services and contract revenues include the operations of the SOM faculty practice plans and affiliated hospital billings. The professional services and contract revenues are recorded on an accrual basis and reported at the estimated net realizable amounts from patients, third party payers and others for services rendered. The house staff and affiliations revenues are recorded on an actual basis based on contracts with various affiliated hospitals for reimbursement of salary, fringe and malpractice charges incurred by SOM.

(xii) *Grants and Contracts*

All grants and contracts are recognized when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants and contracts for which eligibility requirements have not been met under the terms of the agreement, are recorded as unearned revenue in the accompanying statements of net position.

(xiii) *Classification of Revenue*

The University's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that serve the University's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include (1) student tuition and fees and auxiliary enterprises, net of scholarship allowances, (2) most Federal, State, and private grants and contracts, and (3) professional services and contract revenue. Nonoperating revenues include activities that have the characteristics of nonexchange transactions or do not result from the receipt or provision of goods and services, such as operating appropriations from the state, private gifts, and investment income.

(xiv) *New Accounting Standard Adopted*

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or non-governmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). In 2023, the University adopted GASB 94, effective July 1, 2021.

The adoption of GASB 94 related to service concession arrangements resulted in a reclassification in the 2022 financial statements of \$32,655,397 in deferred inflows of resources to \$23,907,601 in other liabilities and \$8,747,796 in unearned revenue.

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Also, the adoption of GASB 94 resulted in a decrease in liability and interest on capital asset related debt of \$158,315 and \$526,011, respectively, as well as an increase in operating expenses of \$367,696 related to components of an APA in the 2022 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement improves the financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions meeting that definition. It defines SBITAs as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement a government entity is required to establish a right-of-use subscription asset and a corresponding subscription liability. The implementation of GASB 96 at July 1, 2021 right-of-use lease asset of \$11,379,498 with a lease liability \$10,800,966 in fiscal 2022 restated balances.

(xv) *Accounting Pronouncements Applicable to the University, Issued but Not Yet Effective*

In June 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* (GASB 100). This statement improves accounting and financial reporting for accounting changes and error corrections to provide a more understandable, reliable, and comparable information for making decisions or assessing accountability. GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. Under this Statement, accounting changes would require restatement of reported periods as well as additional note disclosure. The requirements of this standard are effective for periods beginning after June 15, 2023 (fiscal year 2024). The University is evaluating the impact of this new standard.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this standard are effective for periods beginning after December 15, 2023 (fiscal year 2025). The University is evaluating the impact of this new standard.

(xvi) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(xvii) *Tax Status*

The University is exempt from income taxes on related income pursuant to federal and state tax laws as an instrumentality of the State.

(xviii) *Financial Reporting Entity*

The University's financial statements and accompanying notes include a blended component unit, Rowan Global Inc. (RGI). RGI is organized as a not-for-profit corporation in which the University is the sole corporate member and appoints the full Board of Directors, as identified in RGI's articles of incorporation. RGI is included in the financial reporting entity as a blended component unit pursuant to the provisions in paragraph 5 of GASB Statement No. 80, *Blending Requirements for Certain Component Units* and GASB Statement No. 14, *The Financial Reporting Entity* paragraphs 21-37, as amended.

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The University's financial statements and accompanying notes include a blended component unit, MACQ – NJ I, LLC (MACQ). MACQ is organized as a special-purpose entity formed for the purpose of acting as an intermediary and agency in connection with the issuance of industrial development bonds to refinance the cost of certain facilities at the University. The University is the sole corporate member. MACQ is included in the financial reporting entity as a blended component unit pursuant to the provisions in paragraph 5 of GASB Statement No. 80, *Blending Requirements for Certain Component Units* and GASB Statement No. 14, *The Financial Reporting Entity* paragraphs 21-37, as amended.

**(2) Cash, Cash Equivalents, and Investments**

**(a) Cash and Cash Equivalents**

Cash and cash equivalents consist of the following as of June 30, 2023 and 2022:

| Cash and Cash Equivalents                |    | 2023               | 2022               |
|--|----|--------------------|--------------------|
| Cash                                     | \$ | 112,301,033        | 151,382,977        |
| State of New Jersey Cash Management Fund |    | 675,757            | 651,935            |
| Money market accounts                    |    | 6,324,885          | 1,206,055          |
| Total cash and cash equivalents          | \$ | <u>119,301,675</u> | <u>153,240,967</u> |

Cash and cash equivalents held at a depository and bank balances amounted to \$115,590,708 and \$156,314,703, respectively, as of June 30, 2023 and 2022. Of these amounts, \$500,049 and \$500,000 were FDIC insured, and \$111,025,829 and \$150,598,458 were collateralized pursuant to Chapter 64 of Title 18A of New Jersey Statutes as of June 30, 2023 and 2022, respectively. There was \$3,389,073 and \$4,564,310 in uncollateralized cash as of June 30, 2023 and 2022, respectively.

The University participates in NJCMF wherein amounts also contributed by other State entities are combined in a large-scale investment program. The University's deposits in the NJCMF were \$675,757 and \$651,935 as of June 30, 2023 and 2022, respectively. These amounts are collateralized in accordance with New Jersey Statute 52:18-16-1, but not in the University's name.

The operations of the NJCMF are governed by statutes of the State and the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. The fair value of the NJCMF is based on the number of shares held by the University and the market price of those shares as of June 30, 2023 and 2022. The NJCMF is unrated with an average portfolio maturity of less than one year.

Money market funds are not subject to custodial risk, however, they are subject to credit risk. The balances in the University's money market accounts are unrated.

**(b) Investments**

The University's investments consist of the following as of June 30, 2023 and 2022:

| Investments                           | 2023                  | 2022               |
|---------------------------------------|-----------------------|--------------------|
| U.S. government treasury securities   | \$ 44,721,518         | 37,807,251         |
| U.S. government agency securities     | 31,839,077            | 6,816,939          |
| U.S. corporate bonds                  | 42,877,072            | 56,362,681         |
| Foreign corporate bonds               | 14,846,374            | 23,574,513         |
| Commercial paper                      | 2,760,487             | 12,046,511         |
| Asset-backed securities               | 39,890,154            | 24,812,335         |
| Commercial mortgage-backed securities | 8,440,340             | 9,894,896          |
| Municipal bonds                       | 6,125,899             | 11,726,844         |
| Collateralized mortgage obligations   | 3,435,345             | 3,424,647          |
| Mutual funds – equity                 | 20,397,953            | 17,434,970         |
| Common stock – equity                 | 259,434               | 221,640            |
| <br>Total investments                 | <u>\$ 215,593,653</u> | <u>204,123,227</u> |

The University has an investment policy, which establishes guidelines for permissible investments. Short-term investment options include, but are not limited to, the funds, municipal obligations, etc. that are deemed appropriate and within the risk parameters as determined by the University Board of Trustees and the University Executive Staff.

The University's long-term investment options include, but are not limited to, the purchase of U.S. Government agency obligations, U.S. government treasury securities, corporate bonds, and other investment vehicles (i.e. mutual funds, asset backed securities, etc.) that are deemed appropriate and within the University's investment policy.

The University's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's) and Standard and Poor's (S&P). The University's investment policy requires that fixed income securities are rated Baa3/BBB – or higher by at least one rating agency. At June 30, 2023 and 2022, the University does not have investments in a single issuer, excluding the U.S. Government, of more than 5% of its total investments and therefore does not have a concentration of credit risk.

## Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The following tables summarize the agency ratings of the fixed income securities included in the University's investments as of June 30, 2023 and 2022:

|                                       | 2023          |            |            |            |               |           |           |           |             |           |           |             |
|---------------------------------------|---------------|------------|------------|------------|---------------|-----------|-----------|-----------|-------------|-----------|-----------|-------------|
|                                       | S&P Rated     |            |            |            | Moody's Rated |           |           |           | Other Rated |           |           |             |
|                                       | AAA           | AA         | A          | BBB        | Aaa           | Aa        | A         | Baa       | AAA         | AA        | A         | Total       |
| U.S. government treasury securities   | \$ —          | 44,721,518 | —          | —          | —             | —         | —         | —         | —           | —         | —         | 44,721,518  |
| U.S. government agency securities     | 580,047       | 31,259,030 | —          | —          | —             | —         | —         | —         | —           | —         | —         | 31,839,077  |
| U.S. corporate bonds                  | —             | 1,136,055  | 18,399,415 | 21,356,182 | —             | 995,100   | —         | —         | —           | —         | 990,320   | 42,877,072  |
| Foreign corporate bonds               | —             | —          | 9,080,627  | 1,734,511  | 1,421,241     | —         | 619,874   | —         | —           | —         | 999,181   | 990,940     |
| Commercial paper                      | —             | —          | —          | —          | —             | —         | —         | 2,760,487 | —           | —         | —         | 2,760,487   |
| Asset-backed securities               | 26,079,778    | 515,483    | 500,164    | —          | 7,460,928     | 1,607,984 | 789,385   | —         | 1,718,267   | 27,705    | 1,190,460 | 39,890,154  |
| Commercial mortgage-backed securities | 2,083,105     | 612,397    | —          | —          | 4,067,287     | 1,045,903 | —         | —         | 228,758     | 402,890   | —         | 8,440,340   |
| Municipal bonds                       | 256,553       | 3,710,440  | 1,915,323  | —          | —             | —         | 124,207   | —         | —           | 119,376   | —         | 6,125,899   |
| Collateralized mortgage obligations   | 1,286,155     | —          | —          | —          | 875,177       | —         | —         | —         | 1,274,013   | —         | —         | 3,435,345   |
| Total                                 | \$ 30,285,638 | 81,954,923 | 29,895,529 | 23,090,693 | 13,824,633    | 3,648,987 | 1,533,466 | 2,760,487 | 3,221,038   | 1,549,152 | 3,171,720 | 194,936,266 |

|                                       | 2022          |            |            |            |               |           |           |            |             |           |       |             |
|---------------------------------------|---------------|------------|------------|------------|---------------|-----------|-----------|------------|-------------|-----------|-------|-------------|
|                                       | S&P Rated     |            |            |            | Moody's Rated |           |           |            | Fitch Rated |           |       |             |
|                                       | AAA           | AA         | A          | BBB        | Aaa           | Aa        | A         | Baa        | AAA         | AA        | Total |             |
| U.S. government treasury securities   | \$ —          | 32,479,725 | —          | —          | 5,327,526     | —         | —         | —          | —           | —         | —     | 37,807,251  |
| U.S. government agency securities     | 653,990       | 3,842,725  | —          | —          | —             | 802,180   | —         | —          | —           | 1,518,044 | —     | 6,816,939   |
| U.S. corporate bonds                  | —             | 7,600,553  | 21,623,818 | 26,188,310 | —             | —         | —         | 950,000    | —           | —         | —     | 56,362,681  |
| Foreign corporate bonds               | 460,170       | 1,002,060  | 14,431,141 | 3,032,826  | 3,016,945     | —         | 1,397,327 | —          | 234,044     | —         | —     | 23,574,513  |
| Commercial paper                      | —             | —          | —          | —          | —             | —         | 2,149,357 | 9,897,154  | —           | —         | —     | 12,046,511  |
| Asset-backed securities               | 16,952,879    | 2,807,804  | —          | —          | 4,453,936     | 294,060   | —         | —          | —           | 303,656   | —     | 24,812,335  |
| Commercial mortgage-backed securities | 2,094,803     | 1,284,812  | —          | —          | 4,931,021     | 1,079,751 | —         | —          | 97,436      | 407,073   | —     | 9,894,896   |
| Municipal bonds                       | 400,441       | 6,586,639  | 2,549,135  | 1,400,000  | 111,426       | 553,685   | 125,518   | —          | —           | —         | —     | 11,726,844  |
| Collateralized mortgage obligations   | 593,020       | 833,992    | —          | —          | 454,506       | —         | —         | —          | 1,543,129   | —         | —     | 3,424,647   |
| Total                                 | \$ 21,155,303 | 56,438,310 | 38,604,094 | 30,621,136 | 18,295,360    | 2,729,676 | 3,672,202 | 10,847,154 | 3,392,653   | 710,729   | —     | 186,466,617 |

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The University's investment policy does not specifically address limitations in the maturities of investments. For the University, the following tables summarize the maturities of the fixed income security investments as of June 30, 2023 and 2022:

| Investment type                       | Fair value     | 2023<br>Investment maturities (in years) |            |           |              |
|---------------------------------------|----------------|--|------------|-----------|--------------|
|                                       |                | Less than 1                              | 1–5        | 6–10      | More than 10 |
| U.S. government treasury securities   | \$ 44,721,518  | 24,510,945                               | 20,210,573 | —         | —            |
| U.S. government agency securities     | 31,839,077     | 12,957,794                               | 17,247,224 | 1,107,109 | 526,950      |
| U.S. corporate bonds                  | 42,877,072     | 18,070,779                               | 24,806,293 | —         | —            |
| Foreign corporate bonds               | 14,846,374     | 8,809,639                                | 6,036,735  | —         | —            |
| Commercial paper                      | 2,760,487      | 2,760,487                                | —          | —         | —            |
| Asset-backed securities               | 39,890,154     | 6,566,944                                | 26,241,025 | 3,521,823 | 3,560,362    |
| Commercial mortgage-backed securities | 8,440,340      | 793,360                                  | 1,006,849  | —         | 6,640,131    |
| Municipal bonds                       | 6,125,899      | 4,196,834                                | 1,929,065  | —         | —            |
| Collateralized mortgage obligations   | 3,435,345      | —  | 639,769    | —         | 2,795,576    |
| Total                                 | \$ 194,936,266 | 78,666,782                               | 98,117,533 | 4,628,932 | 13,523,019   |

| Investment type                       | Fair value     | 2022<br>Investment maturities (in years) |            |           |              |
|---------------------------------------|----------------|--|------------|-----------|--------------|
|                                       |                | Less than 1                              | 1–5        | 6–10      | More than 10 |
| U.S. government treasury securities   | \$ 37,807,251  | 15,027,450                               | 22,779,801 | —         | —            |
| U.S. government agency securities     | 6,816,939      | 1,404,885                                | 2,067,565  | —         | 3,344,489    |
| U.S. corporate bonds                  | 56,362,681     | 21,143,014                               | 35,219,667 | —         | —            |
| Foreign corporate bonds               | 23,574,513     | 8,799,074                                | 11,305,260 | 1,421,858 | 2,048,321    |
| Commercial paper                      | 12,046,511     | 12,046,511                               | —          | —         | —            |
| Asset-backed securities               | 24,812,335     | 24,370                                   | 18,261,724 | 3,582,973 | 2,943,268    |
| Commercial mortgage-backed securities | 9,894,896      | 1,145,058                                | 3,720      | 684,598   | 8,061,520    |
| Municipal bonds                       | 11,726,844     | 6,579,606                                | 5,147,238  | —         | —            |
| Collateralized mortgage obligations   | 3,424,647      | —  | 69,135     | 237,409   | 3,118,103    |
| Total                                 | \$ 186,466,617 | 66,169,968                               | 94,854,110 | 5,926,838 | 19,515,701   |

**(c) Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – quoted or published prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

The categorization of a financial instrument within the hierarchy is based upon pricing transparency and is not necessarily an indication of the University's perceived risk of that instrument.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- U. S. government treasury securities and agency securities – The fair value of government securities and agencies are based on institutional bond quotes and evaluations based on various market and industry inputs.
- U. S. and foreign corporate bonds – The fair value of corporate bonds are based on institutional bond quotes and evaluations based on various market and industry inputs.
- Common stocks and mutual funds – equity – The fair value of mutual funds are based on quoted or published market prices, when available, or market prices provided by recognized broker-dealers.
- Asset backed securities, commercial paper, commercial mortgage-backed securities and collateralized mortgage obligations – The fair value of asset backed securities, mortgages, commercial mortgage-backed securities, and collateralized mortgage obligations are based on various market and industry inputs and quotes from market makers and other brokers recognized to be market participants.
- Municipal bonds – The fair value of municipal bonds are based on various market and industry inputs.

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The University's financial instruments as of June 30, 2023 are summarized in the following table by their fair value hierarchy:

|                                       |                | 2023                               |             |         |         |
|---------------------------------------|----------------|------------------------------------|-------------|---------|---------|
|                                       |                | Investments Measured at Fair Value |             |         |         |
|                                       |                | Total                              | Level 1     | Level 2 | Level 3 |
| Investment:                           |                |                                    |             |         |         |
| U. S. government treasury securities  | \$ 44,721,518  | 44,721,518                         | —           | —       | —       |
| U. S. government agency securities    | 31,839,077     | —                                  | 31,839,077  | —       | —       |
| U. S. corporate bonds                 | 42,877,072     | —                                  | 42,877,072  | —       | —       |
| Foreign corporate bonds               | 14,846,374     | —                                  | 14,846,374  | —       | —       |
| Commercial paper                      | 2,760,487      | —                                  | 2,760,487   | —       | —       |
| Asset-backed securities               | 39,890,154     | —                                  | 39,890,154  | —       | —       |
| Commercial mortgage-backed securities | 8,440,340      | —                                  | 8,440,340   | —       | —       |
| Municipal bonds                       | 6,125,899      | —                                  | 6,125,899   | —       | —       |
| Collateralized mortgage obligations   | 3,435,345      | —                                  | 3,435,345   | —       | —       |
| Mutual funds – equity                 | 20,397,953     | 20,397,953                         | —           | —       | —       |
| Common stock – equity                 | 259,434        | 259,434                            | —           | —       | —       |
| Total investments                     | \$ 215,593,653 | 65,378,905                         | 150,214,748 | —       | —       |

The University's financial instruments as of June 30, 2022 are summarized in the following table by their fair value hierarchy:

|                                       |                | 2022                               |             |         |         |
|---------------------------------------|----------------|------------------------------------|-------------|---------|---------|
|                                       |                | Investments Measured at Fair Value |             |         |         |
|                                       |                | Total                              | Level 1     | Level 2 | Level 3 |
| Investment:                           |                |                                    |             |         |         |
| U. S. government treasury securities  | \$ 37,807,251  | 37,807,251                         | —           | —       | —       |
| U. S. government agency securities    | 6,816,939      | —                                  | 6,816,939   | —       | —       |
| U. S. corporate bonds                 | 56,362,681     | —                                  | 56,362,681  | —       | —       |
| Foreign corporate bonds               | 23,574,513     | —                                  | 23,574,513  | —       | —       |
| Commercial paper                      | 12,046,511     | —                                  | 12,046,511  | —       | —       |
| Asset-backed securities               | 24,812,335     | —                                  | 24,812,335  | —       | —       |
| Commercial mortgage-backed securities | 9,894,896      | —                                  | 9,894,896   | —       | —       |
| Municipal bonds                       | 11,726,844     | —                                  | 11,726,844  | —       | —       |
| Collateralized mortgage obligations   | 3,424,647      | —                                  | 3,424,647   | —       | —       |
| Mutual funds – equity                 | 17,434,970     | 17,434,970                         | —           | —       | —       |
| Common stock – equity                 | 221,640        | 221,640                            | —           | —       | —       |
| Total investments                     | \$ 204,123,227 | 55,463,861                         | 148,659,366 | —       | —       |

**(3) Restricted Deposits Held by Trustees**

Restricted deposits held by trustees include restricted funds held by three Board approved trustees. Deposits held by trustees consist of cash and money market investments, which are measured at amortized cost. The money market investments were unrated. Restricted deposits held by trustees include funds for construction, debt service reserve, and debt service and consist of the following as of June 30, 2023 and 2022:

| Restricted Deposits Held by Trustees            |               | 2023       | 2022 |
|---|---------------|------------|------|
| Construction funds                              | \$ 37,750,346 | 69,482,090 |      |
| Debt service and debt service reserve funds     | 28,420,283    | 28,834,132 |      |
|   | 66,170,629    | 98,316,222 |      |
| Less current portion                            | 26,893,768    | 24,489,595 |      |
| Noncurrent restricted deposits held by trustees | \$ 39,276,861 | 73,826,627 |      |

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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**(4) Capital Assets**

The detail of capital assets activity for the years ended June 30, 2023 and 2022 is as follows:

| 2023   | Capital Assets    |                         |                         |                  |
|--|-------------------|-------------------------|-------------------------|------------------|
|  | Beginning balance | Additions/<br>Transfers | Deletions/<br>transfers | Ending balance   |
| Nondepreciable assets:   |                   |                         |                         |                  |
| Land   | \$ 51,246,664     | —                       | —                       | 51,246,664       |
| Artwork  | 2,775,761         | —                       | —                       | 2,775,761        |
| Construction in progress   | 59,763,089        | 56,643,267              | (29,683,529)            | 86,722,827       |
| Total nondepreciable assets  | 113,785,514       | 56,643,267              | (29,683,529)            | 140,745,252      |
| Depreciable assets:  |                   |                         |                         |                  |
| Land improvements  | 66,151,591        | 1,276,850               | —                       | 67,428,441       |
| Buildings  | 1,274,709,768     | 27,598,826              | —                       | 1,302,308,594    |
| Equipment  | 106,786,083       | 16,609,521              | (297,042)               | 123,098,562      |
| Total depreciable assets   | 1,593,021,271     | 49,581,928              | (945,847)               | 1,641,657,352    |
| Less accumulated depreciation:   |                   |                         |                         |                  |
| Land improvements  | 39,033,852        | 3,261,846               | —                       | 42,295,698       |
| Buildings  | 543,579,131       | 42,026,627              | —                       | 585,605,758      |
| Equipment  | 71,815,744        | 11,180,643              | (269,231)               | 82,727,156       |
| Total accumulated depreciation   | 654,428,727       | 56,469,116              | (269,231)               | 710,628,612      |
| Total capital assets, net excluding leases                             | \$ 907,004,229    | 45,659,348              | (29,711,340)            | 922,952,237      |
| Nondepreciable right-of-use assets:                                    |                   |                         |                         |                  |
| Prepayments on right-of-use assets                                     | \$ 578,532        | 44,000                  | —                       | 622,532          |
| Depreciable right-of-use assets:                                       |                   |                         |                         |                  |
| Right-of-use assets  | 145,373,829       | 4,096,731               | (648,805)               | 148,821,755      |
| Less accumulated depreciation:   |                   |                         |                         |                  |
| Right-of-use assets  | 15,375,329        | 10,310,281              | —                       | 25,685,610       |
| Right-of-use assets, net (Note 12)                                     | \$ 130,577,032    | (6,169,550)             | (648,805)               | 123,758,677      |
| Total capital assets, net as reported in the statement of net position |                   |                         |                         | \$ 1,046,710,914 |

## Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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| 2022   | Capital Assets<br>Beginning<br>balance | Additions/<br>Transfers | Deletions/<br>transfers | Ending<br>balance |
|--|--|-------------------------|-------------------------|-------------------|
| Nondepreciable assets:   |  |                         |                         |                   |
| Land   | \$ 50,503,868                          | 742,796                 | —                       | 51,246,664        |
| Artwork  | 2,775,761                              | —                       | —                       | 2,775,761         |
| Construction in progress   | 72,688,290                             | 42,642,530              | (55,567,731)            | 59,763,089        |
| Total nondepreciable<br>assets   | 125,967,919                            | 43,385,326              | (55,567,731)            | 113,785,514       |
| Depreciable assets:  |  |                         |                         |                   |
| Land improvements  | 64,481,111                             | 1,670,480               | —                       | 66,151,591        |
| Buildings  | 1,205,397,331                          | 69,312,437              | —                       | 1,274,709,768     |
| Equipment  | 99,245,141                             | 10,875,856              | (3,334,914)             | 106,786,083       |
| Total depreciable assets   | 1,503,649,923                          | 92,706,262              | (3,334,914)             | 1,593,021,271     |
| Less accumulated depreciation:   |  |                         |                         |                   |
| Land improvements  | 35,818,026                             | 3,215,826               | —                       | 39,033,852        |
| Buildings  | 502,715,052                            | 40,864,079              | —                       | 543,579,131       |
| Equipment  | 63,580,756                             | 11,477,313              | (3,242,325)             | 71,815,744        |
| Total accumulated<br>depreciation                                      | 602,113,834                            | 55,557,218              | (3,242,325)             | 654,428,727       |
| Total capital assets, net<br>excluding leases                          | \$ 892,977,668                         | 69,686,881              | (55,660,320)            | 907,004,229       |
| Nondepreciable right-of-use assets:                                    |  |                         |                         |                   |
| Prepayments on right-of-use assets                                     | \$ 51,556                              | 526,976                 | —                       | 578,532           |
| Depreciable right-of-use assets:                                       |  |                         |                         |                   |
| Right-of-use assets  | 134,526,340                            | 10,847,489              | —                       | 145,373,829       |
| Less accumulated depreciation:   |  |                         |                         |                   |
| Right-of-use assets  | 5,805,084                              | 9,570,245               | —                       | 15,375,329        |
| Right-of-use assets, net (Note 12)                                     | \$ 128,772,812                         | 1,804,220               | —                       | 130,577,032       |
| Total capital assets, net as reported in the statement of net position |  |                         |                         | \$ 1,037,581,261  |

Depreciation expense for the year ending June 30, 2023 and 2022 is \$66,779,397 and \$65,127,463, respectively. The estimated cost to complete capital projects included in construction in progress as of June 30, 2023 approximates \$147,438,506. Anticipated financing for these projects is approximately \$73,083,880 in grant funds, \$34,378,790 in bond funding and \$39,975,836 in University funds.

### (5) State of New Jersey Fringe Benefits

The State, through separate appropriations, pays certain fringe benefits, principally health benefits and FICA taxes, on behalf of University employees and retirees. The costs of these benefits, \$139,071,078 and \$117,004,419, respectively, for fiscal years 2023 and 2022, were paid directly by the State on behalf of the University and are included in the accompanying financial statements as State of New Jersey fringe benefits revenue and as operating expenses.

### (6) Retirement Plans

The University participates in several retirement plans, administered by the State of New Jersey, Division of Pensions and Benefits (the Division), covering its employees – the PERS, the PFRS, the TPAF, the Alternate Benefit Program (ABP), and the Defined Contribution Retirement Program (DCRP). PERS, PFRS and TPAF are cost-sharing, multiple-employer defined benefit retirement plans, while ABP and DCRP are defined contribution retirement plans. Generally all employees, except certain part-time employees, participate in one of these plans. The University is charged for pension costs through a fringe benefit charge assessed by the



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State which is included with the State of New Jersey fringe benefits in the accompanying financial statements (see note 5).

A publicly available ACFR of the State of New Jersey, Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS's, PFRS's, and TPAF's fiduciary net position, can be obtained at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml> or by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**(a) Defined Benefit Pension Plans**

**General Information**

*(i) Public Employees' Retirement System*

*Plan description* – PERS was established under the provisions of N.J.S.A. 43:15A to provide retirement, death and disability benefits to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

*Benefits provided* – All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

| Tier | Definition   |
|------|--|
| 1    | Members who were enrolled prior to July 1, 2007  |
| 2    | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3    | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4    | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011    |
| 5    | Members who were eligible to enroll on or after June 28, 2011                              |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Contributions* – The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. The member contribution rate at June 30, 2023 and 2022 was 7.5% of pensionable wages. The State contributes the employer's share on behalf of the University. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. The University's contributions to PERS (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2023 and 2022 was \$19,833,865 and \$19,973,992, respectively.

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(ii) *Police and Firemen's Retirement System*

*Plan description* – PFRS was established under the provisions of N.J.S.A 43:16A to provide retirement, death and disability benefits to substantially all full time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944.

*Benefits provided* – All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

| Tier | Definition  |
|------|---|
| 1    | Members who were enrolled prior to May 22, 2010   |
| 2    | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3    | Members who were eligible to enroll on or after June 28, 2011                           |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

*Contributions* – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. The State contributes the employer's share on behalf of the University. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The member contribution rate at June 30, 2023 and 2022 was 10% of pensionable wages. The University's contributions to PFRS (amounts paid by the State on behalf of the University) for the fiscal year ended June 30, 2023 and 2022 were \$2,934,363 and \$2,803,178, respectively.

(iii) *Teachers' Pension and Annuity Fund*

*Plan description* – TPAF was established under the provisions of N.J.S.A. 18A:66 to provide retirement, death and disability benefits to substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the State of New Jersey, Department of Education, who have titles that are unclassified, professional, and certified. Certain faculty members of the University participate in the TPAF. Under the provisions of N.J.S.A. 18A:66-33, the State is legally obligated to make contributions on behalf of all participating employers to the plan, therefore TPAF meets the definition of a special funding situation as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

*Benefits provided* – The vesting and benefit provisions are set by N.J.S.A. 18A:66. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

| Tier | Definition   |
|------|--|
| 1    | Members who were enrolled prior to July 1, 2007  |
| 2    | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3    | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4    | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011    |
| 5    | Members who were eligible to enroll on or after June 28, 2011                              |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Contributions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The full normal contribution rate at June 30, 2023 and 2022 was 7.5%. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The University's respective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense related to PERS and PFRS are calculated by the Division. At June 30, 2023, the University reported a liability of \$265,732,975 and \$18,911,809 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. At June 30, 2022, the University reported a liability of \$258,885,863 and \$17,603,974 for PERS and PFRS, respectively, for its proportionate share of the respective PERS and PFRS net pension liabilities. As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of net pension liability at June 30, 2023 and 2022 of \$888,839 and \$840,599, respectively, is recognized by the State. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2023, were determined by actuarial valuations as of July 1, 2021 and rolled forward to the measurement date of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities, which were recorded in the statement of net position as of June 30, 2022, were determined by actuarial valuations as of July 1, 2020 and rolled forward to the measurement date of June 30, 2021. For PERS and PFRS, the University's proportionate share of the respective net pension liabilities for the fiscal years 2023 and 2022 were based on the actual contributions made by the State on behalf of the University relative to the total contributions of participating employers of the State Group for each plan for fiscal years 2022 and 2021, respectively. For TPAF, the University's proportionate share of the respective net pension liability for the fiscal year was based on the actual contributions made by the State on behalf of the University relative to the total contributions made by the

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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State for fiscal year 2022 and 2021. The University's allocation percentages and pension expense for each plan are as follows:

| 2022<br>Summary of Pension Amounts                   |              |           |         |
|--|--------------|-----------|---------|
|  | PERS         | PFRS      | TPAF    |
| 2022 Allocation percentage – State                   |              |           |         |
| Group/Nonemployer Group <sup>1</sup>                 | 1.187 %      | 0.437 %   | 0.002 % |
| 2022 Allocation percentage – Total Plan <sup>2</sup> | 0.707 %      | 0.106 %   | 0.002 % |
| Pension expense for the measurement date             |              |           |         |
| June 30, 2022  | \$ 4,001,590 | 1,223,591 | 23,921  |

| 2021<br>Summary of Pension Amounts                   |              |         |         |
|--|--------------|---------|---------|
|  | PERS         | PFRS    | TPAF    |
| 2021 Allocation percentage – State                   |              |         |         |
| Group/Nonemployer Group <sup>1</sup>                 | 1.197 %      | 0.433 % | 0.002 % |
| 2021 Allocation percentage – Total Plan <sup>2</sup> | 0.770 %      | 0.131 % | 0.002 % |
| Pension expense for the measurement date             |              |         |         |
| June 30, 2021  | \$ 4,969,889 | 935,944 | 19,780  |

<sup>1</sup> – Allocation percentage for PERS and PFRS based on total State Group. Allocation percentage for TPAF based on total Nonemployer Group.

<sup>2</sup> – Allocation percentage calculated as the University's respective net pension liability as a percentage of the total plan's net pension liability.

As TPAF is a special funding situation, the University recognized revenue related to the support provided by the State as of June 30, 2023 and 2022 of \$23,921 and \$19,780, respectively, in the State of New Jersey fringe benefits amount on the statements of revenue, expenses and changes in net position.

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30, 2023 and 2022:

| 2023   |                      |                  |                   |
|--|----------------------|------------------|-------------------|
| Deferred Outflows and Inflows of Resources from Pensions                                     |                      |                  |                   |
|  | PERS                 | PFRS             | Total             |
| Deferred outflows of resources:  |                      |                  |                   |
| Changes of assumptions   | \$ 397,072           | 19,085           | 416,157           |
| Changes in proportionate share   | 10,961,882           | 1,579,232        | 12,541,114        |
| Differences between expected and actual experience   | 4,284,841            | 140,776          | 4,425,617         |
| Net differences between projected and actual investment earnings on pension plan investments | 6,419,490            | 670,050          | 7,089,540         |
| Contributions subsequent to the measurement date   | 19,833,865           | 2,934,363        | 22,768,228        |
| <b>Total</b>   | <b>\$ 41,897,150</b> | <b>5,343,506</b> | <b>47,240,656</b> |
| Deferred inflows of resources:   |                      |                  |                   |
| Changes in proportionate share   | \$ 6,710,825         | 373,775          | 7,084,600         |
| Differences between expected and actual experience   | 1,399,371            | 468,116          | 1,867,487         |
| Changes of assumptions   | 19,453,388           | 909,188          | 20,362,576        |
| <b>Total</b>   | <b>\$ 27,563,584</b> | <b>1,751,079</b> | <b>29,314,663</b> |

| 2022   |                      |                  |                   |
|--|----------------------|------------------|-------------------|
| Deferred Outflows and Inflows of Resources from Pensions                                     |                      |                  |                   |
|  | PERS                 | PFRS             | Total             |
| Deferred outflows of resources:  |                      |                  |                   |
| Changes of assumptions   | \$ 528,305           | 23,446           | 551,751           |
| Changes in proportionate share   | 15,489,949           | 1,856,627        | 17,346,576        |
| Differences between expected and actual experience   | 6,292,040            | —                | 6,292,040         |
| Contributions subsequent to the measurement date   | 19,973,992           | 2,803,178        | 22,777,170        |
| <b>Total</b>   | <b>\$ 42,284,286</b> | <b>4,683,251</b> | <b>46,967,537</b> |
| Deferred inflows of resources:   |                      |                  |                   |
| Changes in proportionate share   | \$ 6,927,622         | 568,451          | 7,496,073         |
| Differences between expected and actual experience   | 894,428              | 634,450          | 1,528,878         |
| Net differences between projected and actual investment earnings on pension plan investments | 8,142,002            | 457,688          | 8,599,690         |
| Changes of assumptions   | 36,691,499           | 1,396,525        | 38,088,024        |
| <b>Total</b>   | <b>\$ 52,655,551</b> | <b>3,057,114</b> | <b>55,712,665</b> |



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As the State is legally obligated to fund TPAF on behalf of the University, the University's proportionate share of deferred outflows of resources and deferred inflows of resources are recognized by the State.

At June 30, 2023, \$22,768,228 was reported as deferred outflows of resources related to pensions resulting from contributions made on behalf of the University by the State subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|               | Future Net Deferred Outflows (Inflows) of Resources |                |                    |
|---------------|---|----------------|--------------------|
|               | PERS  | PFRS           | Total              |
| Years ending: |   |                |                    |
| 2024          | \$ (7,259,095)                                      | (185,309)      | (7,444,404)        |
| 2025          | (2,718,197)   | (28,526)       | (2,746,723)        |
| 2026          | 1,921,335   | 278,379        | 2,199,714          |
| 2027          | 2,596,178   | 525,076        | 3,121,254          |
| 2028          | (40,520)  | 63,346         | 22,826             |
| Thereafter    | —   | 5,098          | 5,098              |
|               | <b>\$ (5,500,299)</b>                               | <b>658,064</b> | <b>(4,842,235)</b> |

### Actuarial Assumptions

The total pension liabilities related to PERS, PFRS, and TPAF measured as of June 30, 2022 and 2021 were based on actuarial valuations as of July 1, 2021 and 2020 using the following actuarial assumptions:

|                           | 2022<br>Actuarial Assumptions                      |   |  |
|---------------------------|--|---|--|
|                           | PERS   | PFRS  | TPAF   |
| Inflation rate:           |  |   |  |
| Price                     | 2.75%  | 2.75%   | 2.75%  |
| Wage                      | 3.25%  | 3.25%   | 3.25%  |
| Salary increases:         | 2.75 – 6.55%<br>based on years of service<br>7.00% | 3.25 – 16.25%<br>based on years of service<br>7.00% | 2.75 – 5.65%<br>based on years of service<br>7.00% |
| Investment rate of return |  |   |  |

|                           | 2021<br>Actuarial Assumptions             |  |   |
|---------------------------|---|--|---|
|                           | PERS                                      | PFRS                                       | TPAF                                      |
| Inflation rate:           |   |  |   |
| Price                     | 2.75%                                     | 2.75%                                      | 2.75%                                     |
| Wage                      | 3.25%                                     | -  | 3.25%                                     |
| Salary increases:         |   |  |   |
| Through 2026              | 2.00 – 6.00%<br>based on years of service | 3.25 – 15.25%<br>based on years of service | 1.55 – 4.45%<br>based on years of service |
| Thereafter                | 3.00 – 7.00%<br>based on years of service | 3.25 – 15.25%<br>based on years of service | 2.75 – 5.65%<br>based on years of service |
| Investment rate of return | 7.00%                                     | 7.00%                                      | 7.00%                                     |

## 2022

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

## 2021

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

## 2022

For PFRS, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**2021**

For PFRS, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**2022**

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**2021**

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% June 30, 2022 and 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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Best estimates of the arithmetic real rates of return for each major asset class included in PERS's, PFRS's and TPAF's target asset allocations as of June 30, 2022 and 2021 are summarized in the following tables:

| 2022  |                   |  |      |
|---|-------------------|--|------|
| Target Asset Allocation and Long-Term Expected Rate of Return |                   |  |      |
|   | PERS              | PFRS                                   | TPAF |
|   | Target allocation | Long-term expected real rate of return |      |
| Risk Mitigation Strategies                                    | 3.00 %            | 4.91 %                                 |      |
| Cash Equivalents  | 4.00              | 1.75                                   |      |
| U.S. Treasuries   | 4.00              | 1.75                                   |      |
| Investment Grade Credit                                       | 7.00              | 3.38                                   |      |
| High Yield  | 4.00              | 4.95                                   |      |
| Private Credit  | 8.00              | 8.10                                   |      |
| Real Assets   | 3.00              | 7.60                                   |      |
| Real Estate   | 8.00              | 11.19                                  |      |
| US Equity   | 27.00             | 8.12                                   |      |
| Non-U.S. Developed Markets Equity                             | 13.50             | 8.38                                   |      |
| Emerging Markets Equity                                       | 5.50              | 10.33                                  |      |
| Private Equity  | 13.00             | 11.80                                  |      |

| 2021  |                   |  |      |
|---|-------------------|--|------|
| Target Asset Allocation and Long-Term Expected Rate of Return |                   |  |      |
|   | PERS              | PFRS                                   | TPAF |
|   | Target allocation | Long-term expected real rate of return |      |
| Risk Mitigation Strategies                                    | 3.00 %            | 3.35 %                                 |      |
| Cash Equivalents  | 4.00              | 0.50                                   |      |
| U.S. Treasuries   | 5.00              | 0.95                                   |      |
| Investment Grade Credit                                       | 8.00              | 1.68                                   |      |
| High Yield  | 2.00              | 3.75                                   |      |
| Private Credit  | 8.00              | 7.60                                   |      |
| Real Assets   | 3.00              | 7.40                                   |      |
| Real Estate   | 8.00              | 9.15                                   |      |
| US Equity   | 27.00             | 8.09                                   |      |
| Non-U.S. Developed Markets Equity                             | 13.50             | 8.71                                   |      |
| Emerging Markets Equity                                       | 5.50              | 10.96                                  |      |
| Private Equity  | 13.00             | 11.30                                  |      |

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00% for PERS, PFRS, and TPAF as of June 30, 2022 and 2021.

In fiscal year 2023, for PERS, PFRS, and TPAF, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contribution for the State. Based on those assumptions, the plan's fiduciary net position as of June 30, 2022 was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

In fiscal year 2022, for PERS, PFRS, and TPAF, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contribution for the State. Based on those assumptions, the plan's fiduciary net position as of June 30, 2021 was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

### **Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the University as of the June 30, 2022, measurement date calculated using the discount rates as disclosed above as well as the net pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| 2022<br>Sensitivity of Net Pension Liability |                   |                             |                   |
|--|-------------------|-----------------------------|-------------------|
| Plan (rates)                                 | At 1%<br>decrease | At current<br>discount rate | At 1%<br>increase |
| PERS(6.00%, 7.00%, 8.00%)                    | \$ 303,222,173    | 265,732,975                 | 233,912,281       |
| PFRS(6.00%, 7.00%, 8.00%)                    | 22,007,749        | 18,911,809                  | 16,333,209        |

The following presents the net pension liability of the University as of the June 30, 2021, measurement date calculated using the discount rates as disclosed above as well as the net pension liability if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| 2021<br>Sensitivity of Net Pension Liability |                   |                             |                   |
|--|-------------------|-----------------------------|-------------------|
| Plan (rates)                                 | At 1%<br>decrease | At current<br>discount rate | At 1%<br>increase |
| PERS(6.00%, 7.00%, 8.00%)                    | \$ 297,128,789    | 258,885,863                 | 226,528,512       |
| PFRS(6.00%, 7.00%, 8.00%)                    | 20,604,099        | 17,603,974                  | 15,106,328        |

**(b) Defined Contribution Retirement Plans**

**Alternative Benefit Program (ABP)**

ABP provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. Participation eligibility as well as contributory and noncontributory requirements is established by the State of New Jersey Retirement and Social Security Law. Contributions can be invested with up to six investment carriers available under the plan. Additional voluntary contributions may be made on a tax-deferred basis, subject to limits within the Internal Revenue Code. The University assumes no liability for ABP members other than payment of contributions.

Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating University employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pre-tax basis.

Employer contributions are 8%. During the year ended June 30, 2023 and 2022, ABP investment carriers received employer and employee contributions as follows:

| <b>ABP Employer and Employee Contributions</b> |                | <b>2023</b> | <b>2022</b> |
|--|----------------|-------------|-------------|
| Employer contributions                         | \$ 14,779,184  | 13,768,247  |             |
| Employee contributions                         | 28,106,213     | 25,944,625  |             |
| Basis for contributions:                       |                |             |             |
| Participating employee salaries                | \$ 184,739,801 | 172,103,087 |             |

Employer contributions to ABP are paid by the State and are reflected in the accompanying financial statements as State of New Jersey fringe benefit revenue and as expenses.

Effective July 1, 2010, Governor Christie signed Chapter 31, P.L. 2010 into law, which only allowed employer contributions to ABP for salaries up to \$141,000. Effective July 1, 2018, Chapter 14, P.L. 2018 increased the salary cap allowing for employer contributions to ABP for salaries up to \$175,000.

**Defined Contribution Retirement Plan**

DCRP was established under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit along with life insurance and disability coverage. DCRP enrollment eligibility criteria includes employees who: (1) earn below a minimum base salary, or (2) do not work a minimum number of hours per week, or (3) are enrolled in PERS and make in excess of the established "maximum contribution" limits. Participating eligibility, as well as contributory and noncontributory requirements, is established by the State of New Jersey Retirement and Social Security Law.

DCRP has one investment carrier, Prudential, which jointly administers the DCRP investments with the Division of Pensions and Benefits. The University assumes no liability for DCRP members other than payment of contributions. Benefits are determined by the amount of individual accumulations and the retirement option selected. All benefits vest immediately for employees who are enrolled in PERS or after one year for employees not in PERS. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting.

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Participating University employees contribute 5.5% of their eligible wages. Employer contributions are 3%. During the years ended June 30, 2023 and 2022, Prudential received employer and employee contributions as follows:

| DCRP Employer and Employee Contributions | 2023         | 2022      |
|--|--------------|-----------|
| Employer contributions                   | \$ 48,012    | 43,649    |
| Employee contributions                   | 88,021       | 80,023    |
| Basis for contributions:                 |              |           |
| Participating employee salaries          | \$ 1,600,369 | 1,454,956 |

#### **(c) Post-Employment Benefits Other than Pensions**

The University's retirees participate in the State Health Benefit State Retired Employees Plan (the Plan).

*Plan description, including benefits provided* - The Plan is a single-employer defined benefit other postemployment benefit (OPEB) plan, which provides medical, prescription drug, and Medicare Part B reimbursements to retirees and their covered dependents. Although the Plan is a single-employer plan, it is treated as a cost-sharing multiple employer plan for standalone reporting purposes. In accordance N.J.S.A. 52:14-17.32, the State of New Jersey (the State) is required to pay the premiums and periodic charges for OPEB of State employees who retire with 25 years or more of credited service, or on a disability pension, from one or more of the following pension plans: the Public Employees' Retirement System (PERS), the Alternate Benefit Program (ABP) or the Police and Firemen's Retirement System (PFRS). In addition, Chapter 302, P.L. 1996 provides that for purposes of this Plan, the University's employees retain any and all rights to the health benefits in the Plan, even though the University is considered autonomous from the State, therefore, its employees are classified as State employees. As such, the State is legally obligated for the benefit payments on behalf of the retirees of the University; therefore, the Plan meets the definition of a special funding situation as defined in GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* (GASB 75).

Retirees who are not eligible for employer-paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage, who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their healthcare coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible for will be determined based on the retiree's annual retirement benefit and level of coverage.

The Plan is administered on a pay-as-you-go-basis. Accordingly, no assets are accumulated in a qualifying trust that meets the definition of a trust as per GASB 75.

#### **Total OPEB Liability and OPEB expense**

As of June 30, 2023 and 2022, the State recorded a liability of \$419,423,528 and \$489,658,735, respectively, which represents the portion of the State's total proportionate share of the collective total OPEB liability that is associated with the University (the University's share). The University's share was based on the ratio of its members to the total members of the Plan. At June 30, 2023, the University's share was 7.54% and 2.01% of the special funding situation and of the Plan, respectively. At June 30, 2022, the University's share was 7.21% and 1.96% of the special funding situation and of the Plan, respectively.

## Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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For the year ended June 30, 2023 and 2022, the University recognized OPEB expense of (\$12,157,072) and \$5,621,231, respectively. As the State is legally obligated for benefit payments on behalf of the University, the University recognized revenue related to the support provided by the State of (\$12,157,072) and \$5,621,231 in 2023 and 2022, respectively.

*Actuarial assumptions and other inputs* – The State's liability associated with the University at June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to the measurement date of June 30, 2022. The State's liability associated with the University at June 30, 2022 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to the measurement date of June 30, 2021. These valuations used the following assumptions:

| OPEB Valuation Assumption  |  | 2023  |
|----------------------------|--|---|
| Inflation                  |  | N/A   |
| Discount rate              |  | 3.50%   |
| Salary increases           |  | 2.75 – 16.25%<br>based on years<br>of service |
| Through all future years   |  |   |
| OPEB Valuation Assumption  |  | 2022  |
| Inflation                  |  | 2.50 %  |
| Discount rate              |  | 2.16 %  |
| Salary increases           |  | 1.55 – 15.25%<br>2.75 – 7.00%                 |
| Through 2026<br>Thereafter |  |   |

The discount rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Salary increases depend on the pension plan a member is enrolled in. In addition, they are based on years of service and age in 2023 and 2022, respectively.

The June 30, 2021 valuation used preretirement mortality rates based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on Pub-2010 "Safety" (PFRS), "Teachers" (TPAF/ABP), and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retirees' mortality was based on Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The June 30, 2020 valuation used preretirement mortality rates based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Future disability mortality was based on Pub-2010 "Safety" (PFRS),

"Teachers" (TPAF/ABP), and "General" (PERS) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Current disabled retirees' mortality was based on Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Health Care Trend Assumptions* – The June 30, 2021 valuations initially used a trend rate of 6.25% and decreases to a 4.5% long-term trend rate after seven years for pre-Medicare medical benefits. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2023 through 2024 are reflected. For PPO the trend is initially 6.36% in fiscal year 2025, increasing to 14.35% in fiscal year 2026 and decreases to 4.5% after 8 years. For HMO the trend is initially 6.53% in fiscal year 2025, increasing to 15.47% in fiscal year 2026 and decreases to 4.5% after 8 years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.5% long-term trend rate after seven years.

The June 30, 2020 valuations initially used a trend rate of 5.65% and decreases to a 4.5% long-term trend rate after seven years for pre-Medicare medical benefits. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.79% in fiscal year 2024, increasing to 13.79% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially 5.98% in fiscal year 2024, increasing to 15.49% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years.

#### (7) Accounts Payable and Accrued Expenses

The components of accounts payable and accrued expenses as of June 30, 2023 and 2022 are as follows:

| Accounts Payable and Accrued Expenses       |    | 2023       | 2022       |
|---|----|------------|------------|
| Vendors and other                           | \$ | 35,682,513 | 26,361,022 |
| Salaries, benefits, and withholdings        |    | 20,283,864 | 24,517,903 |
| Due to State of New Jersey                  |    | 6,561,067  | 6,528,374  |
| Compensated absences – current portion      |    | 11,108,342 | 10,972,619 |
| Accrued interest payable                    |    | 9,705,398  | 13,541,919 |
| Total accounts payable and accrued expenses | \$ | 83,341,184 | 81,921,837 |

**(8) Long-term Debt**

**(a) Bonds Payable**

Capital assets are financed through revenue bonds of the New Jersey Educational Facilities Authority (NJEFA), the CCIA and the GCIA. The following obligations were outstanding as of June 30, 2023 and 2022:

|  | Outstanding Bonds Payable | Interest rate  | 2023        | 2022 |
|--|---------------------------|----------------|-------------|------|
| NJEFA Series 2011 C Revenue Refunding Bonds, due serially to 2025    | 3.000%-5.000%             | \$ 4,690,000   | 7,015,000   |      |
| CCIA Series 2013 A SOM Revenue Refunding Bonds, due serially to 2032 | 3.000%-5.000%             | 17,820,000     | 19,790,000  |      |
| CCIA Series 2013 B SOM Revenue Refunding Bonds due serially to 2032  | 0.890%-5.160%             | 15,415,000     | 16,035,000  |      |
| GCIA Series 2015 A Revenue Bonds, due serially to 2036               | 3.250%-5.000%             | 34,745,000     | 34,745,000  |      |
| GCIA Series 2015 B Revenue Refunding Bonds, due serially to 2031     | 1.500%-5.000%             | 38,135,000     | 42,160,000  |      |
| GCIA Series 2015 C Revenue Bonds, due serially to 2044               | 4.000%-5.000%             | 51,550,000     | 51,550,000  |      |
| NJEFA Series 2016 C Revenue Refunding, due serially to 2031          | 2.500%-5.000%             | 32,165,000     | 35,480,000  |      |
| GCIA Series 2017 A Revenue Bonds, due serially to 2033               | 3.000%-5.000%             | 58,560,000     | 63,745,000  |      |
| GCIA Series 2019 Revenue Bonds, due serially to 2048                 | 4.000%-5.000%             | 56,600,000     | 56,600,000  |      |
| CCIA Series 2020 A Revenue Refunding Bonds, due serially to 2035     | 5.000%                    | 63,740,000     | 63,740,000  |      |
| CCIA Series 2020 B Revenue Refunding Bonds, due serially to 2023     | 1.125%-1.330%             | 2,710,000      | 6,550,000   |      |
| GCIA Series 2021 Loan Revenue Bonds, due serially to 2052            | 4.000%-5.000%             | 64,780,000     | 64,780,000  |      |
| GCIA Series 2021 Loan Revenue Notes, due serially to 2025            | 0.600%                    | 24,500,000     | 24,500,000  |      |
|  |                           | 465,410,000    | 486,690,000 |      |
| Plus:  |                           |                |             |      |
| Bond premium   |                           | 54,260,281     | 58,554,495  |      |
| Total bonds payable  |                           | \$ 519,670,281 | 545,244,495 |      |

Future annual debt service requirements approximate the following:

| <b>Bonds Payable Principal and Interest Repayments</b> |                         |                        |                     |
|--|-------------------------|------------------------|---------------------|
|  | <b>Principal amount</b> | <b>Interest amount</b> | <b>Total amount</b> |
| Year ending June 30:                                   |                         |                        |                     |
| 2024   | \$ 47,485,000           | 19,528,946             | 67,013,946          |
| 2025   | 23,845,000              | 18,262,352             | 42,107,352          |
| 2026   | 24,045,000              | 17,087,455             | 41,132,455          |
| 2027   | 25,445,000              | 15,851,419             | 41,296,419          |
| 2028   | 29,780,000              | 14,456,346             | 44,236,346          |
| 2029-2033  | 115,845,000             | 56,896,386             | 172,741,386         |
| 2034-2038  | 74,725,000              | 34,813,069             | 109,538,069         |
| 2039-2043  | 57,915,000              | 19,996,950             | 77,911,950          |
| 2044-2048  | 50,170,000              | 7,692,300              | 57,862,300          |
| 2049-2053  | 16,155,000              | 1,324,100              | 17,479,100          |
|  | <b>\$ 465,410,000</b>   | <b>205,909,323</b>     | <b>671,319,323</b>  |

**(b) Financed Purchase Obligation**

In 2008, the University entered into a lease agreement with SORA Housing LLC (SORA Housing). SORA Housing constructed two four story student housing facilities with a total of 242 units, consisting of 884 total beds, on a leasehold interest in land that was conveyed to SORA Housing by the Borough of Glassboro. SORA Housing agreed to lease the land, the facilities and the facilities equipment together with the fixtures, improvements and equipment to the University. Rental payments are due in semiannual installments on September 1 and February 1, each year. The University has a financed purchase payable as of June 30, 2023 and 2022 in the amount of \$0 and \$74,480,350, respectively.

In 2008, the University entered into a lease agreement with SORA Retail LLC (SORA Retail). SORA Retail constructed an approximately thirty six thousand square foot two story building for use as a university bookstore and other uses compatible with a university bookstore. The bookstore, which also contains a coffee shop, is being sub-leased to Barnes & Noble College Booksellers, Inc. Rental payments are due in monthly installments. The University has a financed purchase payable as of June 30, 2023 and 2022 in the amount of \$0 and \$12,233,849, respectively.

In 2011, the University entered into a lease agreement with SORA A-1 Housing Urban Renewal Entity, LLC (SORA A-1). SORA A-1 constructed a mixed-use building on land it owns in Glassboro, New Jersey. The building consists of a five-story, mid-rise apartment building with ground floor retail. Within this building, on the second through fifth floor, SORA A-1 constructed apartment units, classrooms, offices and other administrative spaces. The administrative space, in addition to classrooms and offices, includes lounges, study rooms, recreational rooms together with all common elements, including elevators, laundry facilities, recreational and fitness facilities and other amenities. The University's lease pertains to the apartment units and administrative areas only. The apartment units are being occupied by University honor students and consist of 280 beds. Rental payments are due in semi-annual installments on September 1 and February 1, each year. The University has a financed purchase payable as of June 30, 2023 and 2022 in the amount of \$0 and \$34,918,186, respectively.

In November 2022, due to the purchase and blended financial reporting of MACQ – New Jersey I, LLC, the financed purchase obligations for SORA Housing, SORA Retail, and SORA A-1 are treated as refinanced debt using the IDA Series 2022A and Series 2022B bonds.



(A Component Unit of the State of New Jersey)

In 2012, the University entered into a Master Lease Agreement to restructure the three leases above into a single lease. The Master Lease will be for a thirty-year term through 2042. The University has the option to purchase all, but not less than all, of the Premises at any time during the Term of the Lease in accordance with terms listed in the Agreement. If no election to purchase the Premises occurs during the term, upon the payment in full of all rent and other charges due under the Lease, the Premises shall be conveyed to the University at the conclusion of the term without additional consideration. The University received a landlord contribution of \$8,150,000 to help defray the costs of implementation of the property to its intended use.

In fiscal year 2022, the University's 2019 parking license agreement with the GCIA commenced. GCIA constructed a multi-level parking garage consisting of approximately 1,025 parking spaces. The University's agreement pertains to 507 parking spaces. The term of the agreement is 30 years, or such time as any bonds, notes or other indebtedness issued to finance or refinance the parking garage are no longer outstanding. The University has a financed purchase payable as of June 30, 2023 and 2022 in the amount of \$14,453,319 and \$14,755,011, respectively.

Future minimum lease payments under the financed purchases are as follows:

|                      |               | Financed Purchase Principal and Interest Payments |                 |              |
|----------------------|---------------|---|-----------------|--------------|
|                      |               | Principal amount                                  | Interest amount | Total amount |
| Year ending June 30: |               |   |                 |              |
| 2024                 | \$ 315,382    | 611,768   | 927,150         |              |
| 2025                 | 329,616       | 597,994   | 927,610         |              |
| 2026                 | 344,374       | 583,613   | 927,987         |              |
| 2027                 | 359,692       | 568,590   | 928,282         |              |
| 2028                 | 375,580       | 552,911   | 928,491         |              |
| 2029-2033            | 2,137,991     | 2,504,456   | 4,642,447       |              |
| 2034-2038            | 2,637,430     | 1,996,125   | 4,633,555       |              |
| 2039-2043            | 3,240,209     | 1,371,103   | 4,611,312       |              |
| 2044-2048            | 3,970,194     | 603,821   | 4,574,015       |              |
| 2049-2050            | 742,851       | 14,540  | 757,391         |              |
|                      | \$ 14,453,319 | 9,404,921   | 23,858,240      |              |

#### (c) Other Long-Term Debt

Other long-term debt consists of the following:

- (A) The Higher Educational Capital Improvement Fund Act was established to finance capital improvements and related costs at public and private institutions of higher education within the State. Funding was provided from bonds issued by the NJEFA. The total University allocation for this program was \$23,887,250. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds, plus administrative fees of the trustees and the Authority. The outstanding balance as of June 30, 2023 and 2022 is \$0 and \$979,203, respectively, with maturities through August 15, 2022.
- (B) In July 2013, the University received notification of an institutional grant award from the New Jersey Higher Education Capital Facilities Grant Program. The University was awarded \$26,588,048 from the Higher Educational Capital Improvement Fund Act. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds plus administrative fees of the Trustees and the

Authority. The outstanding balance as of June 30, 2023 and 2022 is \$5,647,041 and \$6,028,381, respectively, with maturities through August 15, 2033.

- (C) In July 2013, the University received notification of an institutional grant award from the New Jersey Higher Education Capital Facilities Grant Program. The University was awarded \$750,000 from the Higher Education Equipment Leasing Fund. The University is required to pay 1/4 of the debt service on its allocation of the bond proceeds plus administrative fees of the Trustees and the Authority. The outstanding balance as of June 30, 2023 and 2022 is \$0 and \$22,222, respectively.
- (D) In July 2016, the University was notified by the State that it was awarded a \$16,000,000 grant under the Higher Education Capital Improvement Fund Act. Funding was provided from bonds issued by the NJEFA. The grant is to be used to fund two projects: (1) Facilities Adaptive Reuse Program for Academic Space Expansions and (2) Joint Health Sciences Center Expansion. The University is required to pay 1/3 of the debt service on its allocation of the bond proceeds. The outstanding balance as of June 30, 2023 and 2022 is \$4,176,184 and \$4,380,654, respectively, with maturities through August 15, 2036.

Principal and interest payments for these obligations are as follows:

| Other Long Term Debt Principle and Interest Repayments |                           |                        |                         |
|--|---------------------------|------------------------|-------------------------|
|  | Principal amount          | Interest amount        | Total amount            |
| Year ending June 30:                                   |                           |                        |                         |
| 2024   | \$ 615,777                | 446,991                | 1,062,768               |
| 2025   | 646,286                   | 416,564                | 1,062,850               |
| 2026   | 677,107                   | 385,773                | 1,062,880               |
| 2027   | 709,164                   | 353,504                | 1,062,668               |
| 2028   | 739,402                   | 323,260                | 1,062,662               |
| 2029-2033  | 4,260,984                 | 1,083,093              | 5,344,077               |
| 2034-2038  | 2,174,505                 | 173,721                | 2,348,226               |
|  | <hr/> <u>\$ 9,823,225</u> | <hr/> <u>3,182,906</u> | <hr/> <u>13,006,131</u> |

**(d) Direct Placements**

Capital assets are financed through direct placement debt of the IDA. The following obligations were outstanding as of June 30, 2023 and 2022:

| Outstanding Direct Placement Debt                                    |               |                             |                |
|--|---------------|-----------------------------|----------------|
|  | Interest rate | 2023                        | 2022           |
| IDA Series 2022A Lease Revenue Refunding Bonds, due serially to 2042 | 2.800%        | 187,785,000                 | —              |
| IDA Series 2022B Lease Revenue Bonds, due serially to 2042           | 3.970%        | 13,640,000                  | —              |
| Total direct placement bonds payable                                 |               | <hr/> <u>\$ 201,425,000</u> | <hr/> <u>—</u> |

| Direct Placement Debt Principle and Interest Repayments |                       |                   |                    |
|---|-----------------------|-------------------|--------------------|
|   | Principal amount      | Interest amount   | Total amount       |
| Year ending June 30:                                    |                       |                   |                    |
| 2024  | \$ 4,575,000          | 5,799,488         | 10,374,488         |
| 2025  | 5,055,000             | 5,665,597         | 10,720,597         |
| 2026  | 5,560,000             | 5,518,031         | 11,078,031         |
| 2027  | 6,090,000             | 5,356,091         | 11,446,091         |
| 2028  | 6,645,000             | 5,179,078         | 11,824,078         |
| 2029-2033   | 42,970,000            | 22,651,075        | 65,621,075         |
| 2034-2038   | 63,595,000            | 15,336,655        | 78,931,655         |
| 2039-2043   | 66,935,000            | 4,849,605         | 71,784,605         |
|   | <u>\$ 201,425,000</u> | <u>70,355,620</u> | <u>271,780,620</u> |

In November 2022, the IDA issued Rowan University Series 2022A Bonds. The 2022 tax exempt lease revenue refunding bonds totaled \$191,425,000 with a coupon rate of 2.800% and maturing through 2042. The proceeds from these bond issuances were used to refinance the debt associated with the University's financed purchases related to MACQ – New Jersey I, LLC. The principal amounts of these bonds were \$187,785,000 as of June 30, 2023.

In November 2022, the IDA issued Rowan University Series 2022B Bonds. The 2022 tax exempt lease revenue bonds totaled \$13,965,000 with a coupon rate of 3.970% and maturing through 2042. The proceeds from these bond issuances were used to finance the costs of Rowan University acquiring the lease revenue bonds through the acquisition of the sole membership interest of MACQ – New Jersey I, LLC and cover the issuance costs of the IDA Series 2022A and Series 2022B. The principal amounts of these bonds were \$13,640,000 as of June 30, 2023.

#### (e) Long-Term Obligations

Changes in long-term obligations for the year ended June 30, 2023 and 2022 are as follows:

| 2023<br>Long-term Obligations Rollforward             |                       |                    |                    |                    |                     |
|---|-----------------------|--------------------|--------------------|--------------------|---------------------|
|   | Beginning balance     | Additions          | Reductions         | Ending balance     | Due within One Year |
| Bonds payable   | \$ 545,244,495        | —                  | 25,574,214         | 519,670,281        | 47,485,000          |
| Other long-term debt                                  | 11,410,460            | —                  | 1,587,235          | 9,823,225          | 615,777             |
| Financed purchase obligation                          | 136,387,396           | —                  | 121,934,077        | 14,453,319         | 315,382             |
| Direct placement debt                                 | —                     | 205,390,000        | 3,965,000          | 201,425,000        | 4,575,000           |
| Leases and subscriptions,<br>including component unit | 132,228,759           | 4,096,731          | 9,439,521          | 126,885,969        | 7,284,081           |
| Total long-term<br>obligations                        | <u>\$ 825,271,110</u> | <u>209,486,731</u> | <u>162,500,047</u> | <u>872,257,794</u> | <u>60,275,240</u>   |

| 2022<br>Long-term Obligations Rollforward             |                   |            |            |                |                     |
|---|-------------------|------------|------------|----------------|---------------------|
|   | Beginning balance | Additions  | Reductions | Ending balance | Due within One Year |
| Bonds payable   | \$ 573,623,709    | —          | 28,379,214 | 545,244,495    | 21,280,000          |
| Other long-term debt                                  | 12,936,915        | —          | 1,526,455  | 11,410,460     | 1,587,236           |
| Financed purchase obligation                          | 121,020,605       | 15,000,000 | (366,791)  | 136,387,396    | (54,350)            |
| Leases and subscriptions,<br>including component unit | 129,933,242       | 10,847,489 | 8,551,972  | 132,228,759    | 7,968,062           |
| Total long-term obligations                           | \$ 837,514,471    | 25,847,489 | 38,090,850 | 825,271,110    | 30,780,948          |

The University does not have any open lines of credit.

The GCIA 2015A, GCIA 2015B, GCIA 2015C, NEFA 2016C, GCIA 2017A, GCIA 2019, GCIA 2021 Bonds, IDA 2022A, IDA 2022B, and GCIA 2021 Notes series contain provisions that, in the event of default, the bondholders have the right to request all outstanding amounts of their respective bond in default immediately. The NEFA 2011C, CCIA 2013A, CCIA 2013B, CCIA 2020A and CCIA 2020B series are secured with the collateral of their respective financed projects. The default remedy allows the respective issuer to refit the building and sublet the property until all outstanding amounts have been recovered, including the refit costs. The lease arrangements with Nexus for a multi-level parking garage and a five-story retail, classroom, and office building contain provisions that, in the event of default, the leaseholder has the right to terminate the lease and sell privately or publicly, the goods, fixtures, or other personal property, as well as cancel the respective purchase options at the end of the lease. The CIF 2016B grants from the Higher Education Capital Improvement Fund Act include provisions that, in the event of default, the issuer has the right to request the forfeiture of all the unused grant funds and the repayment of all used funds, with a credit for any principal payments already made by the University, with respect to the issuance in default. The 2014 grant from the New Jersey Higher Education Capital Facilities Grant Program contains a provision that, in the event of a default, the State is allowed to withhold appropriations to recover the amount owed.

## Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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### (9) Noncurrent Liabilities

Noncurrent liabilities activity for the year ended June 30, 2023 and 2022 was as follows:

| 2023<br>Noncurrent Liabilities Activity            |                   |             |             |                |                 |                     |
|--|-------------------|-------------|-------------|----------------|-----------------|---------------------|
|  | Beginning balance | Additions   | Reductions  | Ending balance | Current portion | Non-current portion |
| Compensated absences                               | \$ 13,710,198     | 11,110,518  | 10,972,619  | 13,848,097     | 11,108,342      | 2,739,755           |
| Unearned revenue                                   | 118,907,831       | 35,567,675  | 35,157,933  | 119,317,573    | 38,280,239      | 81,037,334          |
| Other liabilities                                  | 32,173,474        | —           | 8,661,605   | 23,511,869     | 1,869,463       | 21,642,406          |
| Repurchase liability                               | 3,220,000         | —           | —           | 3,220,000      | —               | 3,220,000           |
| Deposits held in custody for others                | 3,559,335         | 2,610,493   | 3,241,617   | 2,928,211      | —               | 2,928,211           |
| Net pension liability                              | 276,489,837       | 33,207,500  | 25,052,553  | 284,644,784    | —               | 284,644,784         |
| Bonds payable                                      | 545,244,495       | —           | 25,574,214  | 519,670,281    | 47,485,000      | 472,185,281         |
| Other long-term debt                               | 11,410,460        | —           | 1,587,235   | 9,823,225      | 615,777         | 9,207,448           |
| Financed purchase obligation                       | 136,387,396       | —           | 121,934,077 | 14,453,319     | 315,382         | 14,137,937          |
| Direct placement debt                              | —                 | 205,390,000 | 3,965,000   | 201,425,000    | 4,575,000       | 196,850,000         |
| Leases and subscriptions, including component unit | 132,228,759       | 4,096,731   | 9,439,521   | 126,885,969    | 7,284,081       | 119,601,888         |
| Total noncurrent liabilities                       | \$ 1,273,331,785  | 291,982,917 | 245,586,374 | 1,319,728,328  | 111,533,284     | 1,208,195,044       |

| 2022<br>Noncurrent Liabilities Activity            |                   |             |             |                |                 |                     |
|--|-------------------|-------------|-------------|----------------|-----------------|---------------------|
|  | Beginning balance | Additions   | Reductions  | Ending balance | Current portion | Non-current portion |
| Compensated absences                               | \$ 15,185,615     | 10,794,536  | 12,269,953  | 13,710,198     | 10,972,618      | 2,737,580           |
| Unearned revenue                                   | 37,853,899        | 109,207,084 | 28,153,152  | 118,907,831    | 35,157,933      | 83,749,898          |
| Other liabilities                                  | 37,107,003        | 195,369     | 5,128,898   | 32,173,474     | 8,661,605       | 23,511,869          |
| Repurchase liability                               | 3,220,000         | —           | —           | 3,220,000      | —               | 3,220,000           |
| Deposits held in custody for others                | 4,136,876         | 2,467,730   | 3,045,271   | 3,559,335      | 228,022         | 3,331,313           |
| Net pension liability                              | 269,832,080       | 24,217,751  | 17,559,994  | 276,489,837    | —               | 276,489,837         |
| Bonds payable                                      | 573,623,709       | —           | 28,379,214  | 545,244,495    | 21,280,000      | 523,964,495         |
| Other long-term debt                               | 12,936,915        | —           | 1,526,455   | 11,410,460     | 1,587,236       | 9,823,224           |
| Financed purchase obligation                       | 121,020,605       | 15,000,000  | (366,791)   | 136,387,396    | (54,350)        | 136,441,746         |
| Leases and subscriptions, including component unit | 129,933,242       | 10,847,489  | 8,551,972   | 132,228,759    | 7,968,062       | 124,260,697         |
| Total noncurrent liabilities                       | \$ 1,204,849,944  | 172,729,959 | 104,248,118 | 1,273,331,785  | 85,801,126      | 1,187,530,659       |

### (10) Professional Services and Contract Revenues

The SOM Faculty Practice Plan revenues primarily consist of fee for service payments, inclusive of quality incentives and capitation payment, from the Centers for Medicare & Medicaid Services (CMS) and other third party insurance providers for inpatient and outpatient services provided by the SOM faculty. In addition, significant contract payments for medical directorships and other contracted service agreements, such as behavioral health and hospitalist services, account for approximately one-third of the revenues.

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The components of net professional services and contract revenues for the year ended June 30, 2023 and 2022 are as follows:

| <b>Net Professional Services and Contracts Revenue</b>       |                      |                   |
|--|----------------------|-------------------|
|  | <b>2023</b>          | <b>2022</b>       |
| Faculty practice revenues:                                   |                      |                   |
| Gross charges  | \$ 73,608,575        | 79,611,968        |
| Contractual and other allowances                             | (36,459,544)         | (40,991,022)      |
| Provision for bad debts                                      | (905,325)            | (1,101,430)       |
| Bad debt recovery  | 193,721              | 246,091           |
| Affiliation revenue  | 2,393,092            | —                 |
| <b>Total faculty practice</b>                                | <b>38,830,519</b>    | <b>37,765,607</b> |
| House staff and affiliation revenues:                        |                      |                   |
| House staff billings   | 8,481,144            | 15,782,599        |
| Affiliation billings   | 3,169,702            | 3,026,148         |
| <b>Total house staff and affiliation</b>                     | <b>11,650,846</b>    | <b>18,808,747</b> |
| <b>Total net professional services and contract revenues</b> | <b>\$ 50,481,365</b> | <b>56,574,354</b> |

Gross charges pertain to the following payers:

| <b>Faculty Practice Plan Gross Charges</b> |              |              |
|--|--------------|--------------|
|  | <b>2023</b>  | <b>2022</b>  |
| Medicare                                   | 38 %         | 35 %         |
| Medicaid and Medicaid HMO                  | 20           | 21           |
| Contracts                                  | 10           | 8            |
| Other third party payors                   | 30           | 33           |
| Uninsured, charity care and self pays      | 2            | 3            |
| <b>100 %</b>                               | <b>100 %</b> | <b>100 %</b> |

Faculty practice gross accounts receivable pertain to the following payers:

| <b>Faculty Practice Plan Accounts Receivable</b> |              |              |
|--|--------------|--------------|
|  | <b>2023</b>  | <b>2022</b>  |
| Medicare   | 18 %         | 21 %         |
| Medicaid and Medicaid HMO                        | 29           | 35           |
| Contracts  | 29           | 13           |
| Other third party payors                         | 24           | 28           |
| Self pays  | —            | 3            |
| <b>100 %</b>                                     | <b>100 %</b> | <b>100 %</b> |

**(11) Commitments and Contingencies**

**(a) Compensated Absences**

The University recorded a liability for accumulated vacation time in the amount of approximately \$11,108,000 and \$10,973,000 as of June 30, 2023 and 2022, respectively, which is included in accounts payable and accrued expenses in the accompanying statements of net position. The liability is calculated based upon employees' accrued vacation leave as of the statements of net position date.

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from University service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the University recorded a liability for accumulated sick leave balances in the amount of approximately \$2,417,000 and \$2,406,000 as of June 30, 2023 and 2022, respectively, which is included in compensated absences non-current portion in the accompanying statements of net position.

During fiscal year 2010, bargaining unit employees were required to take seven unpaid furlough days. Three of these days were banked for either future use or pay out upon separation. A liability for the accumulated leave bank in the amount of approximately \$322,000 and \$332,000 as of June 30, 2023 and 2022, respectively, is recorded in compensated absences non-current portion in the accompanying statements of net position.

**(b) Risk Management**

The University is exposed to various risks of loss. As an instrumentality of the State of New Jersey, the liability of the University is subject to all of the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a Tort Claims Fund and provides for payment of eligible claims filed against the University or against its employees, whom the State is obligated to indemnify against tort claims which arise out of the performance of their duties. Therefore, the University's liability and employee benefit exposures are self funded programs maintained and administered by the State (including tort liability, employment liability, medical professional liability, auto liability, trustee's and officer's liability, workers' compensation, unemployment, temporary and long-term disability, unemployment liability, life insurance and employee retirement programs). An annual appropriation is provided by the legislature for all statutory self funded programs.

The University purchases and maintains a commercial property insurance policy through a joint insurance program with the New Jersey Association of State Colleges and Universities (NJASCU a/k/a the Consortium). University buildings, contents, plant operations, boiler & machinery, business interruption, and lost revenue are insured on an all risk replacement cost basis with a per occurrence limit of \$2.0 billion, subject to a \$100,000 per occurrence deductible. A \$500,000 combined per occurrence deductible applies to several University buildings due to flood exposure; the University's per occurrence policy deductible is capped at the \$500,000.

In addition to the property insurance policy maintained through the consortium, the University maintains several policies of insurance to ensure a comprehensive approach to managing the risk of loss from exposures that are or may be ineligible for Tort Claims Protection. The following policies are maintained and these policies also extend coverage to the University's separately incorporated 501(c)(3) auxiliary organizations: Crime insurance policy (moneys and securities coverage) in the amount of \$2,000,000 with a per loss deductible of \$25,000; Information Security & Privacy Liability in the amount of \$15,000,000 with a per loss deductible of \$250,000; and Pollution Legal Liability in the amount of \$10,000,000 with a per loss deductible of \$100,000. The University maintains a Student Professional Liability policy in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a

per loss deductible of \$10,000 to cover students participating in professional internships (excludes medical students since they are provided protection through the Tort Claims Act). Effective July 1, 2019 the University maintains an Executive Plus Director's and Officer's Liability policy in the amount of \$5,000,000.

The following policies of insurance are maintained for the University's separately incorporated 501 (c)(3) auxiliary organizations (New Jersey Statutes Title 18A Education provides each auxiliary organization with the power to "sue and be sued" (N.J.S.A. 18A:64 30) and directs them to procure their own legal representation because they will not be represented by the State of New Jersey Office of Attorney General (N.J.S.A. 18A:64 35), thereby exempting them from protection under the New Jersey Tort Claims Act); Director's and Officer's Liability in the amount of \$5,000,000 with a per occurrence deductible of \$25,000; General Liability in the amount of \$1,000,000 per occurrence with a \$3,000,000 annual aggregate and a per occurrence deductible of \$100,000, which also extends coverage to Rowan student educational programs and activities; and excess liability in the amount of \$20,000,000 which responds above the General Liability policy, and the University's Student Professional Liability policy referenced above, and also provides difference in conditions coverage to the University to cover any gaps in Tort Claims liability protection. In addition, a professional liability insurance policy is maintained for Rowan Global, Inc. in the amount of \$2,000,000 per occurrence and \$2,000,000 in the annual aggregate with a deductible of \$2,500 per claim.

All commercial insurance policies are renewed on an annual basis. There has been no decrease in insurance coverage during the current year. There have been no settlements in excess of insurance coverage in the past three years.

**(c) Medical Malpractice Self-Insurance Fund**

The University participates in a fund administered by the State known as the Medical Malpractice Self-Insurance Fund (the Fund), which is used to pay malpractice claims and related insurance premiums. The University and the State approve the payment of claims and the University is required to make contributions to the Fund from the SOM Faculty Practice Plan and the Graduate Medical Education (GME) programs. Monies in the Fund, commercial excess liability insurance coverage, and coverage provided by the New Jersey Tort Claims Act are used to meet the cost of claims against SOM. The State has the ultimate liability for any claims in excess of the Fund's assets.

Payment of claims (indemnity and expenses) from the Fund totaled \$372,365 and \$2,430,418 in fiscal year 2023 and 2022, respectively, for SOM. The University contributed \$2,500,000 to the fund for fiscal year 2023. Of this amount for fiscal year 2023, \$1,874,550 was paid while the remaining \$625,450 is included in accounts payable and accrued expenses as of June 30, 2023. The University contributed \$3,250,000 to the fund for fiscal year 2022. Of this amount for fiscal year 2022, \$2,437,500 was paid while the remaining \$812,500 is included in accounts payable and accrued expenses as of June 30, 2022.

**(d) Voluntary Compliance Plan**

UMDNJ had operated under a five year Corporate Integrity Agreement (CIA) with the Department of Health and Human Services Offices of the Inspector General (DHHS OIG) since September 2009. This agreement was assignable to successor organizations. Upon the integration of SOM into Rowan University, the Board of Trustees of Rowan University adopted a healthcare compliance program consistent with relevant laws and practices, and to fulfill the requirements of the CIA and the 15 remaining months of the agreement. The CIA requirements expired September 2014, but the compliance measures that have been developed and implemented will be continued. A Voluntary Compliance Program was implemented on September 26, 2014 and remains in place.

**(e) Other Contingencies**

The University is involved in several claims and lawsuits incidental to its operations. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the University.

**(f) Service Concession Arrangement for the Student Housing Facility**

*(i) Ground Lease*

On April 30, 2015, the University entered into a ground lease with Provident Group – Rowan Properties LLC (Provident) to develop, construct and operate a student housing facility (the Project), consisting of an approximately 1,415 bed student housing facility including a shell for a residential dining facility, with all buildings, improvements, fixtures, furnishing, equipment and amenities necessary for the operation thereof on certain real property located on the campus (the Land), along with associated site infrastructure and various related amenities, utilities and improvements within and outside the Land. The term of the ground lease is 37 years and commenced on April 30, 2015 with no option to renew or extend by Provident. Upon termination of the ground lease, all rights, title and interest to the Project shall automatically and immediately vest in the University. The base annual rent is equal to the surplus cash flows, net of reserve requirements from inception to the preceding period. In the event the rent payment would cause Provident to break any debt covenants, the University would not collect rent for that year.

In connection with the ground lease, the New Jersey Economic Development Authority issued Revenue Bonds (the Bonds) and lent the proceeds to Provident in order to fulfill their obligations under the ground lease. The University has no obligation to pay debt service on the Bonds.

During the term of the ground lease, Provident shall use and operate the Land for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The University will act as an agent for Provident, entering into Residence License Agreements with students to reside in the student housing facility, collecting all amounts due and remitting them to the Bond Trustee and enforcing compliance with the Residence License Agreements in accordance with the management agreement. Under the terms of the Bond Trustee Indenture, the Bond Trustee will accumulate these fees to pay the annual debt service of Provident and reimburse the operating expenses of the student housing facilities on a monthly basis.

*(ii) Management Agreement*

On April 30, 2015, the University entered into a management agreement with Provident and University Student Living Management, LLC (the Manager) (collectively, the Management Agreement) to engage the Manager to manage, operate and maintain the student housing facility. The term of the Management Agreement is five years with extensions for two successive five year periods commencing with the expiration of the original five year engagement, unless either party provides notice of nonextension at least 120 days prior to such expiration. The original five year engagement began after the date of substantial completion of the student housing facility in which revenues are deposited to the Bond Trustee.

All fees due to the Manager are the responsibility of Provident. The University is responsible for the billing and collection of student housing fees, deposits, charges and other amounts under residence license agreements and remitting the funds to the Bond Trustee. The University will provide resident life services and staffing; marketing of the student housing facility; and cable, telephone and internet services, all of which may be reimbursed as operating expenses of the Project.

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(iii) *Dining Facility Sublease*

On April 30, 2015, the University entered into a Dining Facility Sublease with Provident for the operation and management of a dining facility that was constructed under the project development agreement. The term began on the date that the Project is substantially completed and the University accepts possession of the dining facility. The end of the lease is concurrent with the ground lease with automatic renewal to the extent that the ground lease is extended or renewed. The base annual rent is \$1.00.

(iv) *Nature and Extent of Rights*

During the term of the ground lease, Provident shall use and operate the Property for the sole and exclusive purpose of developing and constructing the Project, operating the Project as a student housing facility only for residents, with a sublease of the Dining Facility with the University under the Dining Facility Sublease for use by the residents, the University, students and staff of the University and their visitors and authorized representatives. The building shall be named as determined by the University in its sole and absolute discretion. The Manager shall manage, operate, and maintain the Student Housing Facility, with the advice and consultation of a project operations committee established by Provident under the Operating Agreement, pursuant to the Ground Lease, which shall at all times be composed of five (5) members, three (3) of whom shall be appointed by the University, one (1) of whom shall be appointed by the Manager, one (1) of whom shall be appointed by Provident. Under the ground lease, the University also have the right and option at any time after ten (10) years either (a) to purchase Provident's right, title, and interest in and to the Property, or (b) to terminate the Ground Lease, or (c) to acquire all the rights, titles and interests of Provident under the Loan Agreement and the other Bond Documents and any and all disbursements to be made. Upon the termination or expiration of the Ground Lease from any cause, all rights and interests of Provident shall immediately cease and terminate, and all of the Project and Property, including all buildings, structures, improvements, equipment, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Property, and all personality and any other personal property located thereon, shall thence forward constitute and belong to and be the absolute property of the University or the University's successors and assigns.

(v) *Amounts of Assets and Deferred Inflows of Resources*

The assets that resulted from the service concession arrangement for the student housing facility consists of equipment, building, and building improvements. The equipment for the year ending June 30, 2023 and 2022 is \$3,987,171 and \$3,899,766, respectively. The building for the year ending June 30, 2023 and 2022 is \$115,155,436. The building improvements for the year ending June 30, 2023 and 2022 is \$893,088 and \$117,054, respectively. The deferred inflow of resources related to service concession arrangement for the year ending June 30, 2023 and 2022 is \$93,554,577 and \$96,509,693, respectively.

**(g) Availability Payment Arrangements for the Camden Garage**

On May 22, 2019, the University entered into a ground lease with The Camden County Improvement Authority (CCIA) for the sum of \$1,500,000 to develop and construct a parking garage (the Project), consisting of an approximately 1,025 space parking facility to provide parking to, among others, students, faculty, staff, patients, and visitors of the Medical School and Cooper facilities and the expanding health sciences campus. In connection with the ground lease, CCIA issued revenue bonds to construct the Project and settle the lease payment to the University. The University has no obligation to pay debt service on the bonds. The term of the ground lease is from commencement of May 22, 2019 and shall terminate on the date fifteen years from the final maturity date of the Bonds, which shall occur on June 30, 2049. The lease may be extended should the issuance of additional bonds be required to complete the

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Project. The lease also has an early termination clause should all indebtedness issued in connection with the Project be paid and all monthly fees owed by the University or Cooper under the parking license agreements (noted below) are paid in full. During the term of the ground lease, CCIA shall use and operate the land for the sole and exclusive purpose of developing and constructing the Project and operating the Project as a parking facility. The parking garage was completed in October 2021. Operating expenses related to the parking garage for the year ending June 30, 2023 and 2022 is \$555,360 and \$367,696, respectively.

**(h) Dining Services**

In June 2014, the University entered into a dining services agreement with Gourmet Dining, LLC to provide dining services. The agreement also established a Capex Fund for the University related to the purchase of dining facility related equipment to be amortized over the life of the agreement. The University amended the agreement effective October 2018 which extended the agreement through June 30, 2033 and established an Investment Fund balance at the University to be funded by Gourmet Dining through annual deposits through October 2021, which the University will return in monthly increments through June 30, 2035. The University amended the agreement effective October 2020 which allowed the University to defer the monthly Investment Fund increments due October 2020 through December 2021 until fiscal year 2022. A subsequent amendment extended this deferral through the remainder of fiscal year 2021. The full deferral of \$1,102,355 will be amortized beginning July 1, 2021 through June 30, 2033. The unamortized balance in the Capex Fund as of June 30, 2023 and 2022 was \$7,950,785 and \$8,747,796, respectively. The remaining balance in the Investment fund as of June 30, 2023 and 2022 was \$22,060,765 and \$23,907,601.

**(i) Camden Housing Project**

In April 2014, the University entered into an agreement regarding Development of Housing and Related Guaranty of Rental Payment with Broadway Housing Partners LLC (the Developer) to purchase and redevelop the properties in the immediate vicinity of CMSRU. These properties contain approximately fifty-six residential rental units, which the Developer intends to lease to University students as fair market rental housing, and, with regard to any units that are not leased to University students, to any other qualified renters, so as to maximize occupancy of the units in the project. As the University directly benefits from the redevelopment of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected. There is no cap of these shortfall payments during the initial term (years 1–10). During the second term (years 11–20), as the rent increases, in year 11 the shortfall payment shall not exceed \$300,000; and in each calendar year thereafter the cap shall be increased by a percentage equal to the percentage increase in the CPI index. The University's shortfall payments will not exceed the aggregate amount of \$2,500,000 over the course of the second term. The University shall have no obligation to pay any amounts to the Developer for the periods after the expiration of the second term. The first rental year began on August 1, 2015. The University made \$260,481 and \$234,405 shortfall payments during fiscal year 2023 and 2022, respectively.

**(j) Glassboro Housing Project**

In November 2016, December 2016, and April 2017 the University entered into agreements with Urban Renewal, LLC (the Developer) for affiliated student housing in Glassboro NJ. These three properties provide housing for approximately 1,619 students. As the University directly benefits from the development of the properties, the University warrants to pay the Developer on an annual basis the difference between ninety-five percent of aggregate standard rent and the aggregate rent collected for each agreement. The ninety-five percent annual guaranty amount for all three properties extends through the spring semester of 2024. The University is due a placement fee per bed up to the ninety-five percent of student units. This amount may be deducted from any shortfall payment the University may need to

make. The University received a payment net of the annual guarantee from the developer of \$99,803 and \$121,393 for fiscal year 2023 and 2022, respectively.

**(k) Inspira Health Network**

The University entered into a Purchase and Sale Agreement with Inspira Health Network (Inspira) for certain property owned by the University for \$11.5 million during fiscal year 2016. In conjunction with the transaction, the University and Inspira also entered into a Repurchase and Right of First Refusal Agreement, whereas the University has the option to repurchase the property if Inspira has not commenced efforts to develop the land by the fourth anniversary of the closing and further, the University has the option to repurchase undeveloped portions of the property after 20 years from the date of the closing. On May 24, 2017, Inspira broke ground on the medical center project planned for the 100-acre parcel property purchased from the University. The first phase of the medical center was approximately 467,000 square feet which will allow for additional development over time. This phase was completed in December 2019. The portion of the property currently under construction represents approximately 72% of the overall property cost. As a result, the University recognized the partial land sale of \$8,280,000, a gain of \$830,817, as well as \$900,000 in contribution revenue for the appraised market value of the donated land from Harrison Township and reduced the original repurchase liability from \$12,400,000 as of June 30, 2016 to \$3,220,000 as of June 30, 2017. As of June 30, 2023 and 2022, the University has a repurchase liability of \$3,220,000.

**(12) Leases and SBITAs**

**(a) Lessee and SBITA**

As discussed in note 1(b)(vi), the University is a lessee for various noncancelable leases of buildings and equipment. The University also has noncancelable SBITAs for the right-to-use IT hardware and software.

A summary of right-of-use asset activity during the years ended June 30, 2023 and 2022 are as follows:

| 2023                                | Right-of-use Assets   |                         |                         |                    |
|-------------------------------------|-----------------------|-------------------------|-------------------------|--------------------|
|                                     | Beginning balance     | Additions/<br>Transfers | Deletions/<br>transfers | Ending balance     |
| Nondepreciable right-of-use assets: |                       |                         |                         |                    |
| Prepayment of subscription          | \$ 578,532            | 44,000                  | —                       | 622,532            |
| Total right-of-use assets           | <u>578,532</u>        | <u>44,000</u>           | <u>—</u>                | <u>622,532</u>     |
| Right-of-use assets:                |                       |                         |                         |                    |
| Real Estate                         | 134,181,693           | 923,920                 | (648,805)               | 134,456,808        |
| Equipment                           | 391,170               | —                       | —                       | 391,170            |
| Subscription                        | <u>10,800,966</u>     | <u>3,172,811</u>        | <u>—</u>                | <u>13,973,777</u>  |
| Total right-of-use assets           | <u>145,373,829</u>    | <u>4,096,731</u>        | <u>(648,805)</u>        | <u>148,821,755</u> |
| Less accumulated depreciation:      |                       |                         |                         |                    |
| Right-of-use assets:                |                       |                         |                         |                    |
| Real Estate                         | 11,974,425            | 6,227,862               | —                       | 18,202,287         |
| Equipment                           | 184,091               | 98,562                  | —                       | 282,653            |
| Subscription                        | <u>3,216,813</u>      | <u>3,983,857</u>        | <u>—</u>                | <u>7,200,670</u>   |
| Total accumulated depreciation      | <u>15,375,329</u>     | <u>10,310,281</u>       | <u>—</u>                | <u>25,685,610</u>  |
| Total right-of-use assets, net      | <u>\$ 130,577,032</u> | <u>(6,169,550)</u>      | <u>(648,805)</u>        | <u>123,758,677</u> |

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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| 2022                                | Right-of-use Assets |                         |                         |                |
|-------------------------------------|---------------------|-------------------------|-------------------------|----------------|
|                                     | Beginning balance   | Additions/<br>Transfers | Deletions/<br>transfers | Ending balance |
| Nondepreciable right-of-use assets: |                     |                         |                         |                |
| Prepayment of subscription          | \$ 51,556           | 526,976                 | —                       | 578,532        |
| Total right-of-use assets           | 51,556              | 526,976                 | —                       | 578,532        |
| Right-of-use assets:                |                     |                         |                         |                |
| Real Estate                         | 134,181,693         | —                       | —                       | 134,181,693    |
| Equipment                           | 344,647             | 46,523                  | —                       | 391,170        |
| Subscription                        | —                   | 10,800,966              | —                       | 10,800,966     |
| Total right-of-use assets           | 134,526,340         | 10,847,489              | —                       | 145,373,829    |
| Less accumulated depreciation:      |                     |                         |                         |                |
| Right-of-use assets:                |                     |                         |                         |                |
| Real Estate                         | 5,718,922           | 6,255,503               | —                       | 11,974,425     |
| Equipment                           | 86,162              | 97,929                  | —                       | 184,091        |
| Subscription                        | —                   | 3,216,813               | —                       | 3,216,813      |
| Total accumulated depreciation      | 5,805,084           | 9,570,245               | —                       | 15,375,329     |
| Total right-of-use assets, net      | \$ 128,772,812      | 1,804,220               | —                       | 130,577,032    |

*Lease and Subscription Liabilities*

A summary of changes in the related lease and subscription liabilities during the years ended June 30, 2023 and 2022 are as follows:

| 2023<br>Lease and Subscription Liabilities |                   |           |                |            |                |                     |
|--|-------------------|-----------|----------------|------------|----------------|---------------------|
|  | Beginning balance | Additions | Remeasurements | Reductions | Ending balance | Due within One Year |
| Leases                                     | \$ 125,604,832    | 923,920   | (648,805)      | 4,485,576  | 121,394,371    | 4,661,752           |
| Subscriptions                              | 6,623,927         | 3,172,811 | —              | 4,305,140  | 5,491,598      | 2,622,329           |
| Total leases and subscriptions             | \$ 132,228,759    | 4,096,731 | (648,805)      | 8,790,716  | 126,885,969    | 7,284,081           |

| 2022<br>Lease and Subscription Liabilities |                   |            |                |            |                |                     |
|--|-------------------|------------|----------------|------------|----------------|---------------------|
|  | Beginning balance | Additions  | Remeasurements | Reductions | Ending balance | Due within One Year |
| Leases                                     | \$ 129,933,242    | 46,523     | —              | 4,374,933  | 125,604,832    | 4,520,452           |
| Subscriptions                              | —                 | 10,800,966 | —              | 4,177,039  | 6,623,927      | 3,447,610           |
| Total leases and subscriptions             | \$ 129,933,242    | 10,847,489 | —              | 8,551,972  | 132,228,759    | 7,968,062           |

Future annual payments are as follows:

| Lease Payments              |                       |                   |                    |
|-----------------------------|-----------------------|-------------------|--------------------|
|                             | Principal amount      | Interest amount   | Total amount       |
| <b>Year ending June 30:</b> |                       |                   |                    |
| 2024                        | \$ 4,661,752          | 3,289,844         | 7,951,596          |
| 2025                        | 4,528,106             | 3,188,519         | 7,716,625          |
| 2026                        | 5,139,511             | 3,081,683         | 8,221,194          |
| 2027                        | 6,195,745             | 2,939,049         | 9,134,794          |
| 2028                        | 6,435,716             | 2,782,489         | 9,218,205          |
| 2029–2033                   | 33,095,214            | 11,417,921        | 44,513,135         |
| 2034–2038                   | 24,798,887            | 7,458,417         | 32,257,304         |
| 2039–2043                   | 22,014,435            | 3,987,114         | 26,001,549         |
| 2044–2048                   | 10,710,960            | 1,344,472         | 12,055,432         |
| 2049–2053                   | 3,814,045             | 155,477           | 3,969,522          |
|                             | <b>\$ 121,394,371</b> | <b>39,644,985</b> | <b>161,039,356</b> |

| Subscription Payments       |                     |                 |                  |
|-----------------------------|---------------------|-----------------|------------------|
|                             | Principal amount    | Interest amount | Total amount     |
| <b>Year ending June 30:</b> |                     |                 |                  |
| 2024                        | \$ 2,622,329        | 70,839          | 2,693,168        |
| 2025                        | 1,573,751           | 33,766          | 1,607,517        |
| 2026                        | 995,225             | 10,097          | 1,005,322        |
| 2027                        | 295,382             | 983             | 296,365          |
| 2028                        | 4,911               | 7               | 4,918            |
|                             | <b>\$ 5,491,598</b> | <b>115,692</b>  | <b>5,607,290</b> |

The University incurred variable expenses associated with SBITAs in the amount of \$1,012,239 and \$607,986, as of June 30, 2023 and 2022, respectively.

**(b) Lessor**

As discussed in note 1(b)(vi), the University is a lessor for various noncancelable leases of buildings and land.

The University received variable lease income in the amount of \$375,502 and \$488,682 as of June 30, 2023 and 2022, respectively.

Future annual lease revenues are as follows:

|                             | Lease Revenue  |                 |                    |                 |           |
|-----------------------------|----------------|-----------------|--------------------|-----------------|-----------|
|                             | Component unit |                 | Non-component unit |                 |           |
|                             | Future inflows | Interest amount | Future inflows     | Interest amount | Total     |
| <b>Year ending June 30:</b> |                |                 |                    |                 |           |
| 2024                        | \$ 46,421      | 86,782          | 599,796            | 29,781          | 762,780   |
| 2025                        | 46,421         | 87,800          | 337,989            | 15,598          | 487,808   |
| 2026                        | 46,421         | 88,797          | 267,161            | 5,830           | 408,209   |
| 2027                        | 46,421         | 89,773          | 70,079             | 64              | 206,337   |
| 2028                        | 46,421         | 90,725          | 33,333             | —               | 170,479   |
| 2029–2033                   | 232,103        | 466,879         | 166,667            | —               | 865,649   |
| 2034–2038                   | 232,103        | 485,504         | 166,667            | —               | 884,274   |
| 2039–2043                   | 232,103        | 497,698         | 166,667            | —               | 896,468   |
| 2044–2048                   | 232,103        | 500,853         | 166,667            | —               | 899,623   |
| 2049–2053                   | 232,103        | 491,679         | 166,667            | —               | 890,449   |
| 2054–2058                   | 232,103        | 466,048         | 166,667            | —               | 864,818   |
| 2059–2063                   | 232,103        | 418,812         | 166,667            | —               | 817,582   |
| 2064–2068                   | 232,103        | 343,574         | 27,776             | —               | 603,453   |
| 2069–2073                   | 232,103        | 232,422         | —                  | —               | 464,525   |
| 2074–2078                   | 232,103        | 75,601          | —                  | —               | 307,704   |
|                             | \$ 2,553,135   | 4,422,947       | 2,502,803          | 51,273          | 9,530,158 |

### (13) Rowan University Foundation

#### (a) Component Unit

Rowan University Foundation (the Foundation) is a legally separate, tax exempt component unit of the University with a fiscal year end of June 30. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the University in support of its programs. Although the University does not control the timing or amount of receipts from the Foundation, the Foundation's assets are used exclusively for the benefit, support, and promotion of the University and its educational activities. Because these resources held by the Foundation can only be used by, or are for the benefit of the University, the Foundation is considered a component unit of the University and is discretely presented as part of the University's financial statements. The University provides accounting, accounts payable, and payroll services for the Foundation.

On August 14, 2014, the Rowan Innovation Venture Fund (the Fund) was formed as a legally separate, single member limited liability corporation whose sole member is the Foundation. The Fund is managed by or under the direction of the Fund's Board of Managers as appointed by the Foundation. Further, the Foundation is able to impose its will on the Fund by influencing its activities and is legally entitled to or can otherwise access the Fund's resources. Because the Foundation is financially accountable for the Fund, the Fund is considered a component unit of the Foundation. The primary purpose of the Fund is establishing, developing, owning, managing, operating and administering a seed and early stage venture capital fund to support and leverage the innovation talents and ideas of the members of the Rowan University community and to accelerate the impact of the University on the economic development of Southern New Jersey. As the Fund is organized as a not-for-profit corporation for which the Foundation is the sole member, its activities are blended into the totals of the Foundation. The Fund is treated as a disregarded entity by the Foundation under Treasury Regulations Sections 301.7701-1 through 301.7701-3 as it is a limited liability corporation with a single owner. Accordingly, the Fund is recognized as a tax exempt entity as described in Section 501(c)(3).

During the year ended June 30, 2023 and 2022 the University received \$14,373,224 and \$13,844,804, respectively, from the Foundation. Complete financial statements of the Foundation can be obtained from the Office of the Chief Financial Officer, Rowan University, Glassboro, New Jersey.

**(b) Cash, Cash Equivalents, Restricted Nonexpendable Investments and Investments**

As of June 30, 2023 and 2022, the Foundation's cash, cash equivalents and investments are reported on the statements of net position as follows:

| Cash, Cash Equivalents, and Investments |                       |                    |
|---|-----------------------|--------------------|
|   | 2023                  | 2022               |
| Cash and cash equivalents               | \$ 12,178,080         | 10,207,894         |
| Restricted cash and cash equivalents    | 8,561,235             | 6,319,136          |
|   | <u>\$ 20,739,315</u>  | <u>16,527,030</u>  |
| Investments                             | \$ 68,529,098         | 67,774,081         |
| Restricted investments                  | 48,176,210            | 41,955,145         |
| Restricted nonexpendable investments    | 252,436,857           | 221,180,190        |
|   | <u>\$ 369,142,165</u> | <u>330,909,416</u> |

Cash, cash equivalents, restricted nonexpendable investments and investments consist of the following as of June 30, 2023 and 2022:

| Cash, Cash Equivalents, and Investments   |                       |                    |
|---|-----------------------|--------------------|
|   | 2023                  | 2022               |
| Cash and cash equivalents:                |                       |                    |
| Cash                                      | \$ 7,023,930          | 6,994,560          |
| Money market funds                        | 13,715,385            | 9,532,470          |
|   | <u>\$ 20,739,315</u>  | <u>16,527,030</u>  |
| Investments:                              |                       |                    |
| Bond mutual funds (domestic)              | \$ 34,806,073         | 35,660,291         |
| Common stock mutual funds (domestic)      | 88,209,870            | 81,394,113         |
| Common stock mutual funds (international) | 52,583,720            | 37,506,032         |
| Privately held common stock               | 214,928               | 108,082            |
| Venture capital investments               | 5,276,491             | 5,609,949          |
| Alternative investments                   | 188,051,083           | 170,630,949        |
|   | <u>\$ 369,142,165</u> | <u>330,909,416</u> |

For the years ended June 30, 2023 and 2022, the decrease in fair value on investments was \$16,078,226 and an increase of \$25,102,571, respectively and the net realized gain on investments for June 30, 2023 and 2022 was \$6,457,740 and \$11,178,724, respectively. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year.

The Foundation has an investment policy, which establishes guidelines for permissible investments. The Foundation may invest in domestic equity securities, international equity securities, fixed income securities, real estate investments and venture capital investments. The Foundation's cash and cash equivalents and investments are subject to various risks. Among these risks are custodial credit risk, credit risk and interest rate risk. Each one of these risks is discussed below.

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. Cash and money market accounts were held at a depository and bank balances amounted to \$20,422,408 and \$16,460,159 as of June 30, 2023 and 2022, respectively. Of this amount, \$303,981 and \$477,412 was FDIC insured, leaving an uninsured and uncollateralized balance of \$20,118,427 and \$15,982,747.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as S&P and Moody's. The Foundation's investment policy requires fixed income securities to replicate the Barclays Capital Aggregate characteristics with regard to maturity, structure, duration, credit quality, sector distribution, etc. As of June 30, 2023 and 2022, the bond mutual funds (domestic) were unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The Foundation's investment policy does not specifically address limitations in the maturities of investments.

The Foundation's investments' average effective duration for June 30, 2023 and 2022 are as follows:

| 2023                                     |               |                            |
|--|---------------|----------------------------|
| Foundation Investments' Average Duration |               |                            |
| Investment type                          | Fair value    | Average effective duration |
| Bond mutual funds (domestic)             | \$ 10,188,561 | 6.62 years                 |
| Bond mutual funds (domestic)             | 18,330,877    | 7.13 years                 |
| Bond mutual funds (domestic)             | 6,154,007     | 7.13 years                 |
| Bond mutual funds (domestic)             | 132,628       | 6.29 years                 |
| Total                                    | \$ 34,806,073 |                            |

| 2022                                     |               |                            |
|--|---------------|----------------------------|
| Foundation Investments' Average Duration |               |                            |
| Investment type                          | Fair value    | Average effective duration |
| Bond mutual funds (domestic)             | \$ 12,736,077 | 6.59 years                 |
| Bond mutual funds (domestic)             | 7,379,397     | 6.47 years                 |
| Bond mutual funds (domestic)             | 3,966,671     | 6.64 years                 |
| Bond mutual funds (domestic)             | 11,472,392    | 2.50 years                 |
| Bond mutual funds (domestic)             | 105,754       | 6.43 years                 |
| Total                                    | \$ 35,660,291 |                            |

*Fair Value Measurement*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – quoted or published prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity or the investment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value:

- Bond and common stock mutual funds – The fair value of bond and common stock mutual funds are based on quotations obtained from national securities exchanges or the published price as of the measurement date.
- Venture capital investments – The fair value of the venture capital investments is based off of the initial cost of investments that are entered into during the current fiscal year and cost was determined to approximate fair value. Venture capital investments made in prior years are analyzed to determine if any adjustments to the cost basis of such investments is necessary.
- Alternative investments (including absolute return, private equity and realty investments) – The fair value is based off of the net asset value (NAV), which is provided by the investment managers and reviewed by the management for reasonableness.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The Foundation's financial instruments at June 30, 2023 are summarized in the following table by their fair value hierarchy:

| Foundation Financial Instruments Fair Value Hierarchy |                |                |         |           |
|---|----------------|----------------|---------|-----------|
|   | Total          | Level 1        | Level 2 | Level 3   |
| Investments measured at fair value:                   |                |                |         |           |
| Bond mutual funds (domestic)                          | \$ 34,806,073  | 34,806,073     | —       | —         |
| Common stock mutual funds (domestic)                  | 88,209,870     | 88,209,870     | —       | —         |
| Common stock mutual funds (international)             | 52,583,720     | 52,583,720     | —       | —         |
| Privately held common stock                           | 214,928        | —              | —       | 214,928   |
| Venture capital investments                           | 5,276,491      | —              | —       | 5,276,491 |
| Subtotal  | 181,091,082    | \$ 175,599,663 | —       | 5,491,419 |
| Investments measured at net asset value:              |                |                |         |           |
| Absolute return                                       | 44,478,054     |                |         |           |
| Private equity  | 127,885,195    |                |         |           |
| Realty investments                                    | 15,687,834     |                |         |           |
| Subtotal  | 188,051,083    |                |         |           |
| Total cash equivalents and investments                | \$ 369,142,165 |                |         |           |

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The Foundation's financial instruments at June 30, 2022 are summarized in the following table by their fair value hierarchy:

| Foundation Financial Instruments Fair Value Hierarchy |                |                |         |           |
|---|----------------|----------------|---------|-----------|
|   | Total          | Level 1        | Level 2 | Level 3   |
| Investments measured at fair value:                   |                |                |         |           |
| Bond mutual funds (domestic)                          | \$ 35,660,291  | 35,660,291     | —       | —         |
| Common stock mutual funds (domestic)                  | 81,394,113     | 81,394,113     | —       | —         |
| Common stock mutual funds (international)             | 37,506,032     | 37,506,032     | —       | —         |
| Privately held common stock                           | 108,082        | —              | —       | 108,082   |
| Venture capital investments                           | 5,609,949      | —              | —       | 5,609,949 |
| Subtotal  | 160,278,467    | \$ 154,560,436 | —       | 5,718,031 |
| Investments measured at net asset value:              |                |                |         |           |
| Absolute return                                       | 51,826,080     |                |         |           |
| Private equity  | 102,291,138    |                |         |           |
| Realty investments                                    | 16,513,731     |                |         |           |
| Subtotal  | 170,630,949    |                |         |           |
| Total cash equivalents and investments                | \$ 330,909,416 |                |         |           |

*Investments Measured at NAV*

The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2023:

| Investments Measured at NAV       |                |                      |  |                          |
|-----------------------------------|----------------|----------------------|--|--------------------------|
|                                   | Fair value     | Unfunded commitments | Redemption frequency (if currently eligible) | Redemption notice period |
| Absolute return <sup>(a)</sup>    | \$ 44,478,054  | 3,750,000            | Quarterly                                    | 65–100 days              |
| Private equity <sup>(b)</sup>     | 127,885,195    | 46,800,267           | Illiquid                                     | Not applicable           |
| Realty investments <sup>(c)</sup> | 15,687,834     | 16,101,982           | Illiquid                                     | Not applicable           |
|                                   | \$ 188,051,083 |                      |  |                          |

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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The following table represents the unfunded commitments and redemption terms by investment type as of June 30, 2022:

| Investments Measured at NAV       |                       |                      |  |                          |
|-----------------------------------|-----------------------|----------------------|--|--------------------------|
|                                   | Fair value            | Unfunded commitments | Redemption frequency (if currently eligible) | Redemption notice period |
| Absolute return <sup>(a)</sup>    | \$ 51,826,080         | 6,000,000            | Quarterly                                    | 65–100 days              |
| Private equity <sup>(b)</sup>     | 102,291,138           | 45,350,000           | Illiquid                                     | Not applicable           |
| Realty investments <sup>(c)</sup> | 16,513,731            | 3,350,000            | Illiquid                                     | Not applicable           |
|                                   | <u>\$ 170,630,949</u> |                      |  |                          |

- (a) Absolute return includes 6 hedge funds as of June 30, 2023 and 2022. The funds seek to achieve capital appreciations through various strategies, including long/short equity, long/short credit, relative value and other market neutral strategies. One of the investments, about 0.1% of the overall total, has been liquidated and fully redeemed by June 2023. The remaining investments are redeemable as disclosed above.
- (b) Private equity includes 32 and 30 funds as of June 30, 2023 and 2022, respectively. The funds seek to invest in nonpublicly traded investments that will eventually be sold at a return in excess of public markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 1 to 12 years with possible extensions for 14 funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.
- (c) Realty investments includes 9 funds as of June 30, 2023 and 2022. All of the funds seek to purchase real estate that can be improved and later sold to provide a return that is in excess of public real estate markets. This strategy is implemented through illiquid vehicles and cannot be redeemed. The remaining life of these funds is 1 to 10 years with possible extensions for four funds. Capital is distributed to investors as the funds' investments are liquidated over that time period.

Notes to the Financial Statements as of and for the Years Ended June 30, 2023 and 2022

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**(c) Restricted Nonexpendable Net Position**

Restricted nonexpendable net position as of June 30, 2023 and 2022 consists of the following:

|   | <b>2023</b>    | <b>2022</b> |
|---|----------------|-------------|
| Henry and Betty Rowan for general operations                            | \$ 97,000,118  | 97,000,118  |
| Vitua Health College of Medicine & Health Sciences Endowment            | 50,000,000     | 25,000,000  |
| Henry M. Rowan College of Engineering Endowment                         | 21,000,000     | 20,000,000  |
| Jean & Ric Edelman Fossil Park Endowment                                | 19,354,204     | 19,354,204  |
| The Ric Edelman College of Communication & Creative Arts Endowment      | 9,500,000      | 9,500,000   |
| Menon and Grant Scholarship Fund for College of Science and Mathematics | 5,921,947      | 5,921,947   |
| Rohrer College of Business  | 5,597,280      | 5,097,255   |
| The Shreiber Family Pet Therapy Program                                 | 3,001,330      | 3,000,020   |
| The John H. Martinson Honors College                                    | 2,000,000      | 1,000,000   |
| RowanSOM Endowed Scholarship  | 1,750,000      | 1,750,000   |
| Keith and Shirley Campbell Endowment to support library operations      | 1,641,896      | 1,641,896   |
| Thomas N. Bantivoglio Honors Program for scholarships                   | 1,403,897      | 1,403,597   |
| Rona Stern Staut Res. Professorship                                     | 1,346,517      | 1,147,486   |
| Rohrer College of Business Honors                                       | 1,200,000      | 1,000,000   |
| John B. Campbell Professorial Chair                                     | 1,176,282      | 1,176,282   |
| Rohrer Scholars for scholarships  | 1,080,932      | 1,080,932   |
| Gus & Janice Bader Scholarship  | 1,019,542      | —           |
| Lawrence & Rita Salva Medical Scholars Fund for CMSRU                   | 1,000,000      | 1,000,000   |
| William G. Rohrer Professorial Chair in the College of Business         | 1,000,000      | 1,000,000   |
| King Family Professorial Chair  | 1,000,000      | 1,000,000   |
| Inspira Health Network Endowed Fund                                     | 1,000,000      | 1,000,000   |
| Endowed Chair for Geriatrics  | 1,000,000      | 1,000,000   |
| Rowan University Medical School Student Loan Assistance Fund            | 1,000,000      | 1,000,000   |
| Shreiber School of Veterinary Medicine of Rowan University              | 1,000,000      | —           |
| Other endowment funds   | 21,442,912     | 20,106,453  |
|   | <hr/>          | <hr/>       |
|   | \$ 252,436,857 | 221,180,190 |

**(14) South Jersey Technology Park at Rowan University, Inc.**

*Component Unit*

South Jersey Technology Park at Rowan University, Inc. (SJTP) was established and is being maintained as part of the economic outreach vision of the University, its initial sole member. SJTP hopes to create jobs and job training and provide new and varied “hands-on” educational experiences for the University students as well as combat community deterioration. The goal of SJTP is to create job opportunities and job training for the under-employed and unemployed of the South Jersey region. SJTP is an organization described under Section 501(c) (3) of the Internal Revenue Code and therefore exempt from Federal income taxes under Section 501(a) of the Code. SJTP’s assets are used exclusively for the benefit, support, and promotion of the University and its educational activities. Because the members of the SJTP Board of Directors are appointed by the Board of Trustees of the University, SJTP is considered a component unit of the University and is discretely presented as part of the University’s financial statements.



(A Component Unit of the State of New Jersey)

**(a) Related Party Transactions**

*Lease Agreements*

In fiscal year 2008, the University Board of Trustees approved a long-term lease agreement for the SJTP to use a parcel of land owned by the University. The lease commenced on January 1, 2008 and is for 50 years with a renewal term of 20 years. The rental payment as of June 30, 2023 and 2022 was \$51,500 and \$50,000, respectively. The rental payment is subject to GASB 87, as such the interest portion of the payment is included in other nonoperating revenues, net in the accompanying statements of revenues, expenses, and changes in net position for fiscal years 2023 and 2022. The lease is also included in the accompanying statements of net position as discussed in note 1(b)(vi).

The University Board of Trustees approved a lease agreement by and between the University and the SJTP to lease the first floor of the Samuel H. Jones Innovation Center to support its educational mission. Beginning July 16, 2016, the University also assumed the lease for the second floor of the Innovation Center and intends to conduct renovations to increase wet lab space for the University. For the year ended June 30, 2023 and 2022, SJTP recognized \$1,107,375 and \$1,084,902, respectively, in rental income related to this lease agreement. The University also reimbursed SJTP \$209,982 and \$220,265 for utility charges associated with this lease for fiscal year 2023 and 2022, respectively.

*Business Operating Agreement*

SJTP and the University entered into a business operating agreement for the University to provide certain services and functions to SJTP. SJTP pays the University for these services and functions which include salaries and benefits of employees who perform functions for SJTP, accounting services, custodial services, repairs and maintenance, and other indirect charges. The charges amounted to \$422,491 and \$409,542 for fiscal year 2023 and 2022, respectively, and are reflected in professional and other services expenses in the accompanying statements of revenues, expenses, and changes in net position.

**(15) COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency. In response, various governmental agencies mandated stringent regulations and guidelines in an effort to help organizations promote the health and safety of their communities.

For fiscal year 2022, the University recognized \$40.8 million of pandemic aid received through various programs generated by the ARP act, of which \$20.5 million was used as grants for COVID-19 assistance to students. The balance was used to mitigate a portion off the financial losses resulting from the COVID-19 pandemic.

For fiscal year 2023, the University did not recognize any material grants related to the COVID-19 pandemic.

**(16) Subsequent Events**

The University evaluated events subsequent to June 30, 2023 and through December 21, 2023, the date of which the financial statements were issued.

In July 2023, the University received notification of institutional grant awards from the NJ Higher Education Capital Facilities Programs. The University was awarded \$14.0 million from the Higher Education Equipment Leasing Fund Program. The Higher Education Equipment Leasing Fund require Rowan to pay one-quarter of the debt service on the Bonds issued to fund the Rowan projects.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)  
 Required Supplementary Information (Unaudited)

Schedules of Employer Contributions  
 June 30, 2023

| <b>Public Employees' Retirement System</b>                           | <b>2023</b>   | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution                                  | \$ 19,833,865 | 19,973,992  | 14,018,029  | 10,282,861  | 9,320,515   | 7,325,414   | 5,331,193   | 3,690,074   | 2,386,805   |
| Contributions in relation to the contractually required contribution | \$ 19,833,865 | 19,973,992  | 14,018,029  | 10,282,861  | 9,320,515   | 7,325,414   | 5,331,193   | 3,690,074   | 2,386,805   |
| Contribution deficiency (excess)                                     | \$ —          | —           | —           | —           | —           | —           | —           | —           | —           |
| University employee covered-payroll                                  | \$ 56,738,564 | 54,444,989  | 53,739,590  | 53,894,207  | 53,123,772  | 50,762,197  | 52,135,711  | 50,275,748  | 51,495,300  |
| Contributions as a percentage of employee covered payroll            | 34.96 %       | 36.69 %     | 26.09 %     | 19.08 %     | 17.54 %     | 14.43 %     | 10.23 %     | 7.34 %      | 4.63 %      |
| <b>Police and Firemen's Retirement System</b>                        | <b>2023</b>   | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> |
| Contractually required contribution                                  | \$ 2,934,363  | 2,803,178   | 1,925,985   | 1,491,764   | 1,248,845   | 1,069,699   | 805,419     | 545,161     | 268,537     |
| Contributions in relation to the contractually required contribution | \$ 2,934,363  | 2,803,178   | 1,925,985   | 1,491,764   | 1,248,845   | 1,069,699   | 805,419     | 545,161     | 268,537     |
| Contribution deficiency (excess)                                     | \$ —          | —           | —           | —           | —           | —           | —           | —           | —           |
| University employee covered-payroll                                  | \$ 2,388,960  | 2,220,027   | 2,259,186   | 2,214,424   | 1,974,471   | 1,901,881   | 1,960,579   | 1,918,325   | 2,066,181   |
| Contributions as a percentage of employee covered payroll            | 122.83 %      | 126.27 %    | 85.25 %     | 67.37 %     | 63.25 %     | 56.24 %     | 41.08 %     | 28.42 %     | 13.00 %     |

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

| ROWAN UNIVERSITY<br>(A Component Unit of the State of New Jersey)   |                |             |             |             |             |             |             |             |             |
|---|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Required Supplementary Information (Unaudited)  |                |             |             |             |             |             |             |             |             |
| Schedules of Proportionate Share of the Net Pension Liability   |                |             |             |             |             |             |             |             |             |
| June 30, 2023   |                |             |             |             |             |             |             |             |             |
|   | 2023           | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        |
| <b>Public Employees' Retirement System</b>  |                |             |             |             |             |             |             |             |             |
| University proportion of the net pension liability – state group  | 1.187 %        | 1.197 %     | 1.138 %     | 1.181 %     | 1.157 %     | 1.152 %     | 1.147 %     | 1.058 %     | 1.184 %     |
| University proportion of the net pension liability – total plan   | 0.707          | 0.770       | 0.654       | 0.661       | 0.632       | 0.604       | 0.571       | 0.544       | 0.613       |
| University proportionate share of the net pension liability   | \$ 265,732,975 | 258,885,863 | 252,952,884 | 271,842,274 | 274,241,746 | 295,481,815 | 337,030,671 | 251,080,946 | 238,238,870 |
| University employee covered-payroll   | 54,444,989     | 53,739,590  | 53,894,207  | 53,123,772  | 50,762,197  | 52,135,711  | 50,275,748  | 51,495,300  | 50,121,737  |
| University proportionate share of the net pension liability as a percentage of the employee covered-payroll | 488.1 %        | 481.7 %     | 469.4 %     | 511.7 %     | 540.2 %     | 566.8 %     | 670.4 %     | 487.6 %     | 475.3 %     |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 46.41 %        | 51.52 %     | 42.90 %     | 42.04 %     | 40.45 %     | 36.78 %     | 31.20 %     | 38.21 %     | 42.74 %     |
| <b>Police and Firemen's Retirement System</b>   |                |             |             |             |             |             |             |             |             |
| University proportion of the net pension liability – state group  | 0.437 %        | 0.433 %     | 0.393 %     | 0.388 %     | 0.412 %     | 0.412 %     | 0.395 %     | 0.379 %     | 0.406 %     |
| University proportion of the net pension liability – total plan   | 0.106          | 0.131       | 0.088       | 0.089       | 0.091       | 0.084       | 0.073       | 0.073       | 0.083       |
| University proportionate share of the net pension liability   | \$ 18,911,809  | 17,603,974  | 16,879,196  | 16,288,499  | 17,849,912  | 18,121,876  | 18,589,182  | 16,256,503  | 14,426,274  |
| University employee covered-payroll   | 2,220,027      | 2,259,186   | 2,214,424   | 1,974,471   | 1,901,881   | 1,960,579   | 1,918,325   | 2,066,181   | 1,985,629   |
| University proportionate share of the net pension liability as a percentage of the employee covered-payroll | 851.9 %        | 779.2 %     | 762.2 %     | 825.0 %     | 938.5 %     | 924.3 %     | 969.0 %     | 786.8 %     | 726.6 %     |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 63.29 %        | 71.41 %     | 58.78 %     | 60.20 %     | 57.91 %     | 54.52 %     | 48.55 %     | 52.84 %     | 58.86 %     |
| <b>Teachers' Pension and Annuity Fund</b>   |                |             |             |             |             |             |             |             |             |
| University proportion of the net pension liability  | 0.002 %        | 0.002 %     | 0.002 %     | 0.002 %     | 0.002 %     | 0.002 %     | 0.002 %     | 0.010 %     | 0.012 %     |
| University proportionate share of the net pension liability   | \$ —           | —           | —           | —           | —           | —           | —           | —           | —           |
| State's proportionate share of the net pension liability associated with the University                     | \$ 888,839     | 840,599     | 1,313,388   | 1,205,870   | 1,310,288   | 1,479,732   | 1,744,239   | 6,423,696   | 6,406,231   |
| Total net pension liability   | \$ 888,839     | 840,599     | 1,313,388   | 1,205,870   | 1,310,288   | 1,479,732   | 1,744,239   | 6,423,696   | 6,406,231   |
| University employee covered-payroll   | \$ —           | —           | —           | —           | —           | —           | —           | 7,656       | 7,656       |
| University proportionate share of the net pension liability as a percentage of the employee covered-payroll | — %            | — %         | — %         | — %         | — %         | — %         | — %         | — %         | — %         |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 32.29 %        | 35.52 %     | 24.60 %     | 26.95 %     | 26.49 %     | 25.41 %     | 22.33 %     | 28.71 %     | 33.64 %     |

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

#### Notes to Required Supplementary Information

*Changes in benefit terms* – There were no significant changes in benefits for any of the actuarial valuations used to determine required contributions.

*Changes in assumptions* – The significant changes in assumptions and the annual change in the discount rate and the change in the long-term rate of return as follows:

##### PERS

For 2022, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2021, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2020, the discount rate changed to 7.00% from 6.28% and the long-term rate of return remained at 7.00%.

For 2019, the mortality rates changed from RP-2006 tables to Pub-2010 tables. The discount rate changed to 6.28% from 5.66% and the long-term rate of return remained at 7.00%.

For 2018, the discount rate changed to 5.66% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%.

For 2016, the discount rate changed to 3.98% and the long-term rate of return changed to 7.65% from 7.90%.

For 2015, the discount rate changed to 4.90% from 5.39%.

##### PFRS

For 2022, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2021, the discount rate remained at 7.00% and the long-term rate of return remained at 7.00%.

For 2020, the discount rate changed to 7.00% from 6.85% and the long-term rate of return remained at 7.00%.

For 2019, the mortality rates changed from RP-2000 tables to Pub-2010 tables. The discount rate changed to 6.85% from 6.51% and the long-term rate of return remained at 7.00%.

For 2018, the discount rate changed to 6.51% and the long-term rate of return remained at 7.00%.

For 2017, the discount rate changed to 6.14% and the long-term rate of return changed to 7.00%.

For 2016, the discount rate changed to 5.55% and the long-term rate of return changed to 7.65% from 7.90%.

For 2015, the discount rate changed to 5.79% from 6.32%.

See accompanying independent auditors' report.

**ROWAN UNIVERSITY**  
 (A Component Unit of the State of New Jersey)

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Total OPEB Liability

June 30, 2023

|  | 2023           | 2022           | 2021           | 2020           | 2019           | 2018           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| University proportion of the collective total OPEB liability   | — %            | — %            | — %            | — %            | — %            | — %            |
| University proportionate share of the collective total OPEB liability                                  | \$ —           | \$ —           | \$ —           | \$ —           | \$ —           | \$ —           |
| State's proportionate share of the total OPEB liability associated with the University                 | \$ 419,423,528 | \$ 489,658,735 | \$ 568,312,787 | \$ 382,327,565 | \$ 486,974,034 | \$ 554,246,968 |
| Total OPEB liability   | \$ 419,423,528 | \$ 489,658,735 | \$ 568,312,787 | \$ 382,327,565 | \$ 486,974,034 | \$ 554,246,968 |
| University covered-employee payroll  | \$ 199,849,137 | \$ 189,307,672 | \$ 195,126,018 | \$ 210,927,281 | \$ 196,319,174 | \$ 172,658,885 |
| University proportionate share of the total OPEB liability as a percentage of covered-employee payroll | — %            | — %            | — %            | — %            | — %            | — %            |

Information provided for Required Supplementary Information will be provided for ten (10) years, as the information becomes available in subsequent years.

Notes to the Schedule: For the State Health Benefit State Retired Employees Plan, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions*.

*Changes in assumptions* – There were no significant changes in assumptions except for the annual change in the discount rate.

For 2023, the discount rate changed to 3.54% from 2.16%. The mortality tables utilized Pub-2010 and Scale MP-2021.

For 2022, the discount rate changed to 2.16% from 2.21%. The mortality tables utilized Pub-2010 and Scale MP-2021.

For 2021, the discount rate changed to 2.21% from 3.50%. The mortality tables utilized Pub-2010 and Scale MP-2020.

For 2020, the discount rate changed to 3.50% from 3.87%. The mortality tables utilized changed from RP-2006 in 2018 to Pub-2010 in 2019.

For 2019, the discount rate changed to 3.87% from 3.58%.

See accompanying independent auditors' report.

**APPENDIX C-1**  
**FORMS OF BOND INDENTURE AND BOND LOAN**  
**AGREEMENT**

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TRUST INDENTURE  
between  
THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY  
and  
TD BANK, NATIONAL ASSOCIATION  
as Trustee

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Dated as of February 1, 2024

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Relating to

\$167,325,000  
The Gloucester County Improvement Authority  
Loan Revenue Bonds  
(Rowan University Projects), Series 2024

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**EXHIBIT "A": FORM OF 2024 BOND**

**TRUST INDENTURE**

This **TRUST INDENTURE** ("Indenture"), dated as of February 1, 2024, between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey ("Authority"), and **TD BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trustee").

**W I T N E S S E T H:**

**WHEREAS**, the Authority has been duly created by a resolution of the Board of Chosen Freeholders of the County of Gloucester, New Jersey ("County"), as a public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State"), and the acts amendatory thereof and supplemental thereto (*N.J.S.A. 40:37A-44 et seq.*) ("Act"); and

**WHEREAS**, Rowan University ("Rowan" or "Public University") is a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* ("Rowan Act"), with its main campus located in the Borough of Glassboro in the County; and

**WHEREAS**, in furtherance of its continued aims of attracting, training and retaining top students, researchers, scientists and professionals in the State, Rowan has determined to expand its undergraduate, graduate and doctoral studies programs to include veterinary bioscience and veterinary medicine; and

**WHEREAS**, in furtherance of such determination, Rowan has established the "Schreiber School of Veterinary Medicine" ("SVM") to provide academic studies and training, cutting-edge research and real-world application for veterinary bioscience and veterinary medicine, including: (i) the granting of (a) undergraduate Bachelors of Science degrees in veterinary studies and veterinary technology, (b) graduate Masters and Doctorates of Philosophy (i.e., Ph.D's) degrees in veterinary biomedical science (in collaboration with Rowan's two medical schools, Graduate School of Biomedical Science and College of Science & Mathematics), and (c) Doctorates of Veterinary Medicine degrees (including a joint DVM/MBA in collaboration with Rowan's Rohrer College of Business), (ii) providing internships and residency programs for post-graduate study, specialization and certification; and (iii) continuing education to support the veterinary profession; and

**WHEREAS**, for purposes of establishing the SVM, Rowan has also determined to develop and construct a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility, include classrooms, laboratories, research facilities, clinical, diagnostic, treatment and operating spaces (including small and large animal applied science, teaching, research and medical services), offices and other administrative and operational space, together with all equipment necessary therefore or related thereto to be located on the

Rowan campus in Glassboro, New Jersey on real property owned by Rowan (collectively, the "SVM Project"); and

**WHEREAS**, in addition to the foregoing, Rowan has heretofore established a comprehensive facilities and operations master plan, which master plan is periodically updated to reflect the needs for the continued growth of Rowan and the upkeep of Rowan facilities (as updated, the "Master Plan"); and

**WHEREAS**, in connection with the implementation of the Master Plan, Rowan has established its commitment to, among other things, the continued development and upkeep of its educational and/or non-educational facilities within the County; and

**WHEREAS**, in furtherance of its Master Plan, Rowan has determined to: (i) undertake and complete various improvements and upgrades to various student housing facilities; (ii) undertake and complete various renovations, improvements and upgrades to Campbell Library; (iii) acquire and renovate and, thereafter, undertake and complete various improvements to the Glassboro Intermediate School for new administrative and operational space; (iv) undertake and complete the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (v) undertake and complete various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto (items (i) through (v) are collectively referred to as the "Capital Projects" and, together with the SVM Project, the "Project Facilities"); and

**WHEREAS**, the Authority is authorized, pursuant to the Act, to provide financing for the provision of "public facilities" (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in any such county, or any two or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including Rowan, for their respective governmental purposes; and

**WHEREAS**, pursuant to *N.J.S.A. 40:37A-55*, the Authority is authorized to extend credit or make loans to any governmental unit or person, including Rowan, for the planning, design, acquisition, construction, equipping and furnishing of all or any part of a "public facility" (as defined in the Act), upon the terms and conditions that the loans be secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for the purpose by the authority, and upon such other terms and conditions as the Authority shall deem reasonable; and

**WHEREAS**, pursuant to *N.J.S.A. 40:37A-45(p)*, the Project Facilities acquired, owned or constructed by Rowan constitutes a "public facility" within the meaning of the Act and, as such, the Authority is authorized to provide financial assistance to Rowan for the purpose of financing the costs of the same; and

**WHEREAS**, Rowan has determined that Authority possesses the skill and expertise necessary to finance large scale projects, including the Facilities Project, in a timely and cost-effective manner; and

**WHEREAS**, the Authority has preliminarily authorized, *inter alia*, the issuance of, in one or more series, on a tax-exempt or taxable basis, of its Loan Revenue Bonds (Rowan University Projects), Series 2024, in the aggregate principal amount not to exceed \$180,000,000 ("2024 Bonds") to finance: (i) a portion of the costs of the SVM Project; (ii) the costs of the Capital Projects; (iii) capitalized interest on the 2024 Bonds; and (iv) the costs and expenses of issuance incurred by the Authority and Rowan in connection with the issuance and sale of the 2024 Bonds (collectively, the "Project"); and

**WHEREAS**, the Authority has applied to the Local Finance Board of the State Department of Community Affairs, Division of Local Government Services ("Local Finance Board"), pursuant to *N.J.S.A. 40A:5A-6*, for positive findings for the undertaking and completion of the Facilities Project and the issuance of the 2024 Bonds to finance the costs thereof and has received the requisite positive findings and approval from the Local Finance Board on October 11, 2023; and

**WHEREAS**, subsequent to the approval provided by the Local Finance Board, the Authority has, pursuant to a Bond Resolution adopted on October 19, 2023, as amended by a First Supplemental Bond Resolution adopted by the Authority on January 18, 2024 (as amended, the "Bond Resolution"), authorized, *inter alia*, the issuance of the 2024 Bonds to finance the Project; and

**WHEREAS**, the 2024 Bonds will be payable from certain loan payments ("Loan Payments") to be received from Rowan pursuant to and in accordance with the terms and conditions set forth in a Loan and Security Agreement, dated as of February 1, 2024 ("Loan Agreement"), between the Authority and Rowan, which Loan Payments shall constitute general corporate obligations of Rowan; and

**WHEREAS**, pursuant to the terms of the Loan Agreement, the Public University is required to make the Loan Payments (as defined herein) to the Authority on each Loan Payment Date (as defined herein) in an amount equal to the debt service on the 2024 Bonds due on the immediately succeeding Interest Payment Date (as defined herein) or Principal Installment Date (as defined herein), as the case may be; and

**WHEREAS**, the Authority will issue the 2024 Bonds pursuant to the Act, the Bond Resolution and this Indenture; and

**WHEREAS**, the Board of Trustees of Rowan, pursuant to and in accordance with the terms of the Rowan Act, has adopted a resolution consenting to the financing of the Project through the execution of the Loan Agreement, the issuance of the 2024 Bonds and the execution and delivery of this Indenture; and

**WHEREAS**, the 2024 Bonds shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property (as defined herein), including: (i) the Revenues (as defined herein) received from the Public University; (ii) the Funds and Accounts (as

each term is defined herein) established hereunder (other than the Rebate Fund), including Investment Securities (as defined herein) held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the 2024 Bonds in accordance with the terms and provisions of this Indenture; and

**WHEREAS**, all things necessary to make the 2024 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the 2024 Bonds, subject to the terms hereof, have in all respects been duly authorized.

**NOW, THEREFORE**, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds (as defined herein) by the Owners (as defined herein) thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding (as defined herein) under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the Pledged Property, including any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

**TO HAVE AND TO HOLD**, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future holders of the Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

**PROVIDED, NEVERTHELESS**, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the

payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

**NOW, THEREFORE**, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Pledged Property is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as their interests may appear, as follows:

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**ARTICLE I**  
**DEFINITIONS, RULES OF CONSTRUCTION**

**Section 1.01 Definitions of Words and Terms.** In addition to words and terms elsewhere defined herein, the following words and terms as used in this Indenture and in the Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

**"Account"** or **"Accounts"** shall mean, as the case may be, each or all of the Accounts established and created under Article IV of this Indenture.

**"Accountant's Certificate"** shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent certified public accountants of recognized standing, selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

**"Act"** means the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto *N.J.S.A. 40:37A-1 et seq.*).

**"Additional Loan Payments"** shall mean any and all amounts payable by the Public University to the Authority pursuant to the Loan Agreement including, but not limited to, Section 5.02(B) of the Loan Agreement, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Indenture and the Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority or the 2024 Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby other than costs resulting from the failure of the 2024 Insurer to honor its obligations under the 2024 Insurance Policy.

**"Annual Authority Administrative Fee"** shall mean the annual fee for the general administrative expenses of the Authority for the Bonds as set forth in the Loan Agreement.

**"Article"** shall mean a specified Article hereof, unless otherwise indicated.

**"Authority"** shall have the meaning set forth in the Recitals to this Indenture.

**"Authority Administrative Expenses"** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Indenture and the Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee;

(ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the Project or the compelling of the full and punctual performance of this Indenture and the Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Indenture and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

**"Authorized Authority Representative"** shall mean the Chair, Vice Chair, Executive Director, Secretary and any Assistant Secretary, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document or serving in an interim or acting capacity.

**"Authorized Denominations"** shall mean with respect to any Series of Bonds, \$5,000 or any integral multiple of \$5,000.

**"Authorized Public University Representative"** shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

**"Bond"** or **"Bonds"** shall mean the 2024 Bonds issued pursuant to Sections 2.01, 2.02 and 2.03 of this Indenture to provide funds to finance the Project, together with Refunding Bonds, if any, issued pursuant to Section 2.05 of this Indenture.

**"Bond Counsel"** shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

**"Bondowner", "Bondholder", "Holder", "Owner" or "Registered Owner"** means the Person in whose name a Bond is registered on the Bond Register.

**"Bond Register"** means the registration books of the Authority kept by the Trustee to evidence the registration and transfer of the Bonds.

**"Bond Registrar"** means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Indenture.

**"Bond Resolution"** shall have the meaning ascribed in the Recitals to this Indenture

**"Bond Year"** shall mean, with respect to the 2024 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If

no day is selected by the Authority before the earlier of the final maturity date of the 2024 Bonds or the date that is five (5) years after the Issue Date in the case of the 2024 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2024 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

**"Business Day"** means a day other than a day: (i) on which banks located in the City of New York, New York, the State of New Jersey or the city in which the Principal Office of the Trustee is located, is required or authorized by law or executive order to close; and (ii) on which the New York Stock Exchange is not closed.

**"Capital Projects"** means, collectively, (i) various improvements and upgrades to various student housing facilities, (ii) various renovations, improvements and upgrades to Campbell Library, (iii) acquisition of and, thereafter, completion of various improvements and renovations to the Glassboro Intermediate School for new administrative and operational space, (iv) development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto, and (v) various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto.

**"Cede & Co."** means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

**"Completion Certificate"** shall mean the certificate described in Section 4.05 of the Loan Agreement, executed by the Public University, wherein, with respect to the Facilities Project, the Public University certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 4.03(d) hereof.

**"Completion Date"** shall mean the date of completion of the Facilities Project as stated in the Public University's Completion Certificate described in Section 4.05 of the Loan Agreement.

**"Continuing Disclosure Agreement"** shall have the meaning set forth in Section 6.20 of this Indenture.

**"Cost"** or **"Costs"** shall mean and shall be deemed to include, with respect to the Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of the Facilities Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance,

demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the Facilities Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to this Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, escrow agent fees, verification agent fees, escrow security fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the Public University or the Authority shall be required to pay under the terms of any contract or contracts for the completion of the Facilities Project or the acquisition, construction, equipping and furnishing of the Facilities Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the Facilities Project; (iv) deposits in any Fund or Account under this Indenture, all as shall be provided in this Indenture; and (v) such other expenses not specified herein or in the Loan Agreement as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the Facilities Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and the Loan Agreement.

**"Debt Retirement Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of this Indenture.

**"Debt Service"** for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account of the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"Debt Service Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of this Indenture.

**"Debt Service Requirement"** with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"DTC"** shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds authorized as book-entry Bonds.

**"Event of Default"** shall have the meaning given to such term in Section 7.01 hereof.

**"Facilities Project"** shall mean: (i) the SVM Project; and (ii) the Capital Projects; together with the acquisition of all equipment necessary therefore or related thereto, all as more particularly described in Exhibit "F" to the hereinafter defined Loan Agreement.

**"Favorable Opinion of Bond Counsel"** shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Indenture, any Supplemental Indenture, the Loan Agreement, any amendment or supplement to the Loan Agreement, and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

**"Fiduciary"** or **"Fiduciaries"** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

**"Fiscal Year"** shall mean the respective twelve (12) month fiscal periods of the Public University or the Authority, as applicable.

**"Fitch"** shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Fund"** or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of this Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

**"GASB"** means those accounting principles applicable in the preparation of financial statements of institutions of higher learning, as promulgated by the Governmental Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

**"Government Obligations"** shall mean:

(a) direct obligations of, or obligations and the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America;

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in clause (a) above issued or held in book-entry form in the name of the Trustee only on the books of the Department of Treasury of the United States of America);

(c) any certificates or any other evidence of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian;

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA; and

(e) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that cash, obligations described in clauses (a), (b), (c) or (d) above, or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or purchase, such obligations are rated AAA by Fitch, Aaa by Moody's or AAA by S&P.

**"Indenture"** shall mean this Trust Indenture, dated as of February 1, 2024, between the Authority and the Trustee, as amended, modified and supplemented in accordance with the provisions hereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2024 Bonds, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$209,156.25, in connection with the sale and award of the 2024 Bonds; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

**"Insured 2024 Bonds"** means all of the 2024 Bonds.

**"Interest Payment Date"** shall mean: (i) with respect to the 2024 Bonds, each January 1 and July 1 of each year, commencing July 1, 2024; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event

an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Investment Securities"** shall mean, with respect to moneys in any Funds, Accounts or Subaccounts invested under this Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically *N.J.S.A. 40A:5-14* (legal depositories for public moneys) and *N.J.S.A. 40A:5-15.1* (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of execution of this Indenture, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A. 40A:5-14*:

a. The public depositories (as defined in *N.J.S.A. 17:9-41*) designated by the Authority in an approved cash management plan shall be authorized pursuant to *N.J.S.A. 40A:5-14(i)* to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.

b. Pursuant to *N.J.S.A. 40A:5-15.1*, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (*N.J.S.A. 52:18A-90.4*); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection b. hereof or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*);

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than thirty (30) days;

(d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A. 17:9-41*); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed

c. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

d. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

e. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use

of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 *U.S.C. s.80a-1 et seq.*, and operated in accordance with 17 *C.F.R. s.270.2a-7*, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 *C.F.R. s.270.2a-7*;

(b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R. s.270.2a-7*, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 *C.F.R. s.270.2a-7*, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof; and

(c) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(a) which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;

(b) which is rated in the highest category by a nationally recognized statistical rating organization;

(c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R. s.270.2a-7*,

securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 *C.F.R. 270.2a-7* and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;

(d) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R. s.270.2a-7*, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 *C.F.R. 270.2a-7* and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;

(e) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;

(f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and

(g) which does not impose liquidity fees or redemption gates.

g. Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c.198 (*N.J.S.A. 40A:11-1 et seq.*).

"Issue Date" shall mean, with respect to: (i) the 2024 Bonds, February 29, 2024; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates the Series of

Refunding Bonds and on which such Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

**"Late Payment Rate"** means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("**Insurer Prime Rate**") (any change in such Insurer Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Insured 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Insurer Prime Rate, the Insurer Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the 2024 Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the 2024 Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

**"Loan"** shall mean the loan made by the Authority to the Public University in the aggregate principal amount of \$167,325,000 to finance the aggregate Costs of the Project under the terms and conditions set forth in the Loan Agreement.

**"Loan Agreement"** shall mean the Loan and Security Agreement, dated as of February 1, 2024, by and between the Authority and the Public University, together with any supplements and amendments thereto, relating to the Project to be financed with the proceeds of the Loan.

**"Loan Documents"** shall mean, collectively, the Loan Agreement, the Continuing Disclosure Agreement, this Indenture and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

**"Loan Payment"** shall mean the sum of money representing principal and interest necessary to amortize Debt Service on the 2024 Bonds payable by the Public University on each Loan Payment Date, as set forth in Exhibit "A" to the Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the 2024 Bonds pursuant to Article III of this Indenture and, as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

**"Loan Payment Date"** shall mean: (i) with respect to the 2024 Bonds, thirty (30) days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be; and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

**"Loan Term"** shall mean the period during which the Loan Agreement is in effect as specified in Section 5.01 of the Loan Agreement.

**"Month"** shall mean a calendar month.

**"Moody's"** shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Obligations"** shall have the meaning assigned to that term in Section 12.06(a) hereof.

**"Official Statement"** means the Official Statement of the Authority, dated February 15, 2024, prepared in connection with the offering and sale of the 2024 Bonds.

**"Operating Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of this Indenture.

**"Opinion of Counsel"** means an opinion in writing signed by legal counsel acceptable to the Public University and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee or counsel to the Public University.

**"Outstanding"** means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except: (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12 hereof; (b) Bonds which are deemed to have been paid in accordance with Article XI hereof; and (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II hereof.

**"Paying Agent" or "Paying Agents"** shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds, and its successors and assigns and its successor or successors appointed in the manner provided in this Indenture.

**"Person" or "Persons"** shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

**"Pledged Property"** shall mean: (i) the Revenues; (ii) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Indenture.

**"Prepayment"** shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 of the Loan Agreement.

**"Prime Rate"** means the rate from time to time publicly announced by the Trustee's primary commercial banking affiliate as its "prime rate" or "base rate."

**"Principal Installment"** shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon; and (ii) any Sinking Fund Installments due on a certain future date for such Series of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

**"Principal Installment Date"** shall mean: (i) with respect to the 2024 Bonds, each July 1 commencing July 1, 2034, on which any Principal Installment shall become due and payable by the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

**"Principal Office"** means, with respect to any entity performing functions under any Loan Document, the office of that entity or its affiliate at which those functions are performed.

**"Proceeds"** shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the Facilities Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the Public University elects to provide self-insurance under Section 7.05 of the Loan Agreement, any moneys payable from any self-insurance fund of the Public University which may lawfully be expended for the purposes for which such self-insurance is provided.

**"Proceeds Fund"** shall mean the Fund so designated, established and created pursuant to Section 4.02(d) of this Indenture.

**"Project"** shall mean, collectively: (i) the Costs of the Facilities Project; (ii) funding capitalized interest on the 2024 Bonds; and (iii) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Bonds.

**"Project Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(a) of this Indenture.

**"Public University"** means the public institution for higher education authorized and created pursuant to State law, the name of which is Rowan University, located primarily in Glassboro, New Jersey.

**"Public University Board"** means the Board of Trustees of the Public University, as the governing body vested with the power of management of the Public University, or a duly authorized committee thereof.

**"Rebate Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(g) of this Indenture.

**"Record Date"** shall mean: (i) with respect to the 2024 Bonds, the fifteenth day of the calendar month immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

**"Redemption Price"** shall mean, with respect to any Bond, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Indenture or the applicable Supplemental Indenture whether such Redemption Price is expressed as a percentage of the principal amount of the Bond or otherwise.

**"Refunding Bonds"** shall mean the Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture.

**"Registered Owner"** shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

**"Related Document"** means this Indenture, the Loan Agreement, or any other transaction document, including any underlying security agreement related to the 2024 Bonds.

**"Revenue Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of this Indenture.

**"Revenues"** shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under the Loan Agreement; (ii) any moneys or securities held pursuant to this Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under this Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

**"Securities Depository"** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, and any successor Securities Depository appointed pursuant to Section 2.13 hereof.

**"Security Documents"** shall mean the Bond Resolution, the Indenture, the Loan Agreement, the 2024 Insurance Policy, and/or any additional or supplemental document executed in connection with the Insured 2024 Bonds.

**"Series"** shall mean all of the Bonds authenticated and delivered upon original issuance pursuant to this Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

**"Sinking Fund Installment"** shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series.

**"Standard & Poor's" or "S&P"** shall mean S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"State"** shall mean the State of New Jersey or any successor to its duties and functions.

**"SVM Project"** shall mean development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility, include classrooms, laboratories, research facilities, clinical, diagnostic, treatment and operating spaces (including small and large animal applied science, teaching, research and medical services), offices and other administrative and operational space, together with all equipment necessary therefore or related thereto to be located on the Rowan campus in Glassboro, New Jersey on real property owned by Rowan.

**"Supplemental Indenture"** shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article IX hereof.

**"Tax-Exempt Obligations"** shall mean any Series of Bonds which are issued pursuant to the terms of this Indenture together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**"Tax Agreement"** means, collectively, the Tax and Non-Arbitrage Certificate executed and delivered by the Public University and the Non-Arbitrage Certificate executed and delivered by the Authority at the time of issuance and delivery of the Bonds.

**"Trustee"** shall mean, with respect to the 2024 Bonds and any Series of Refunding Bonds issued hereunder, TD Bank, National Association, Mount Laurel, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Indenture or appointed trustee pursuant to a Supplemental Indenture.

**"2024 Bonds"** the Series of Tax-Exempt Obligations issued as Bonds so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 hereof in the aggregate principal amount of \$167,325,000, which are designated Loan Revenue Bonds (Rowan University Projects), Series 2024.

**"2024 Insurance Policy"** means the insurance policy issued by the 2024 Insurer guaranteeing the scheduled payment of the principal of and interest on the Insured 2024 Bonds.

**"2024 Insurer"** means Build America Mutual Assurance Company, or any successor thereto or assignee thereof.

**"Underwriter"** shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2024 Bonds.

**"Value"** as of any particular time of determination, means:

(a) For securities:

(1) the closing bid price quoted by Interactive Data Systems, Inc.; or

(2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) the lower of two dealer bids on the valuation date; the dealers or their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued; or

(4) a valuation performed by a pricing service acceptable to the Trustee; or

(5) for any security maturing within 30 days of the valuation date, the maturity value of the security including interest to be paid on the maturity date;

(b) As to certificates of deposit and bankers' acceptances, the face amount thereof, plus accrued interest; and

(c) With respect to any investment agreement, the total amount that may be withdrawn therefrom for the purposes of the fund in which it is held.

**"Written Request"** means a request in writing signed by an Authorized Authority Representative or an Authorized Public University Representative, as applicable.

**"Yield"** shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

**Section 1.02 Rules of Construction.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

(a) The terms defined in this Article I include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.

(c) The words "herein," "hereof," "hereunder," "hereto" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(e) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 2.01. Authorization of Bonds.** No Bonds may be issued under this Indenture except in accordance with this Article II.

(a) In accordance with the Act and pursuant to the provisions of this Indenture, there is hereby authorized to be issued one or more Series of Bonds of the Authority. The Bonds shall be special and limited obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law.

(b) The Bonds may, if and when authorized by the Authority pursuant to this Indenture and one or more Supplemental Indenture, be issued in one or more Series at one or more times, and the designation thereof, shall include such further appropriate particular program or project designation added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine herein or in a Supplemental Indenture with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(c) Nothing contained in this Indenture shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Bonds of two (2) or more separate Series authorized pursuant to such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 2.02, 2.03 and 2.05 hereof into single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 2.02, 2.03, 2.05 and 2.13 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.

(d) The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.

## **Section 2.02. General Provisions for Issuance of Bonds.**

(a) All of the Bonds of each Series, including the 2024 Bonds, shall be executed by the Authority for issuance under this Indenture and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued and addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, *inter alia*, that, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy, (A) the Authority has the right and the power under the Act, as amended to the date of such opinion, the Indenture has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the execution and delivery of the Indenture is required; (B) the Indenture creates the valid pledge that it purports to create on the Pledged Property; and (C) the Bonds of such Series are valid, binding, special and limited obligations of the Authority as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of this Indenture and of the Act, as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;

(ii) A written order as to the delivery of such Series of Bonds signed by an Authorized Authority Representative, which order shall (A) direct the application of the proceeds of such Series of Bonds, and (B) set forth the maturity schedule for said Series of Bonds and the interest rate or rates payable with respect thereto;

(iii) A copy, duly certified by an Authorized Authority Representative, of the Bond Resolution authorizing, *inter alia*, the execution of this Indenture (or any Supplemental Indenture), the Loan Agreement (and any amendment or supplement thereto), and the bond purchase contract with the Underwriter;

(iv) A fully executed copy of the Loan Agreement (or any supplement or amendment thereto);

(v) A fully executed copy of this Indenture (or any Supplemental Indenture);

(vi) Certified copies of any resolutions of the Public University authorizing and approving, *inter alia*, the execution and delivery of the Loan Agreement (and any amendment and supplement thereto), the Continuing Disclosure Agreement and the Tax Agreement;

(vii) A fully executed copy of the bond purchase contract for such Series of Bonds executed by the Authority and the Underwriter thereof;

(viii) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the Series of Tax-Exempt Obligations;

(ix) Except in the case of the initial 2024 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(x) Except in the case of the initial 2024 Bonds, a certificate of an Authorized Public University Representative stating that the Public University is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Loan Agreement;

(xi) An Opinion of Counsel to the Public University (dated the date the Bonds are initially issued) to the effect that the Loan Agreement (or any amendment or supplement thereto) has been duly and validly authorized, is in full force and effect on the date of issuance of the Bonds and is enforceable against the Public University in accordance with its terms, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and

(xii) Such further documents, moneys and securities as are required by the provisions of Sections 2.03 or 2.05 or Article XI hereof or any Supplemental Indenture adopted pursuant to Article IX hereof.

(b) All of the Bonds of each Series shall be identical in all respects, except as to such further name designation incorporated in the title for the Bonds of each Series, denominations, maturity date, interest rates, numbers and letters.

## **Section 2.03. The 2024 Bonds.**

(a) The 2024 Bonds are hereby authorized to be issued and secured hereunder as follows:

(i) the 2024 Bonds are entitled to the benefit, protection and security of the provisions hereof. The 2024 Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "Loan Revenue Bonds (Rowan University Projects), Series 2023"; and

(ii) The 2024 Bonds shall be issued in an aggregate principal amount of \$167,325,000, shall bear interest payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2024, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III) of each year in the years and in the principal amounts as follows:

| <b>Due<br/>(July 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Due<br/>(July 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> |
|-------------------------|-----------------------------|--------------------------|-------------------------|-----------------------------|--------------------------|
| 2034                    | \$3,500,000                 | 5.00%                    | 2041                    | \$6,640,000                 | 5.00%                    |
| 2035                    | 4,955,000                   | 5.00                     | 2042                    | 6,970,000                   | 5.00                     |
| 2036                    | 5,200,000                   | 5.00                     | 2043                    | 7,320,000                   | 5.00                     |
| 2037                    | 5,465,000                   | 5.00                     | 2044                    | 7,685,000                   | 5.00                     |
| 2038                    | 5,735,000                   | 5.00                     | 2049                    | 44,595,000                  | 5.00                     |
| 2039                    | 6,020,000                   | 5.00                     | 2054                    | 56,915,000                  | 5.00                     |
| 2040                    | 6,325,000                   | 5.00                     |                         |                             |                          |

(iii) The 2024 Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the 2024 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R", and/or such other letter or letters as determined by the Trustee, prefixed to the number. Subject to the provisions of this Indenture, the form of the 2024 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit "A", attached hereto.

(b) The net proceeds of the 2024 Bonds in the amount of \$181,777,938.81 (representing the purchase price of the 2024 Bonds in the amount of \$182,081,444.19, less the amount of \$303,505.38, which shall be paid directly to the 2024 Insurer by the Underwriter), shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

(i) an amount equal to \$7,018,354.17, representing capitalized interest accrued on the Loan shall be deposited into the 2024 Capitalized Interest Subaccount of the 2024 Account of the Debt Service Fund;

(ii) an amount equal to \$759,584.64 for the payment of the costs of issuance related to the issuance and sale of the 2024 Bonds, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 4.06(b) hereof; and

(iii) the balance of proceeds of the 2024 Bonds in the amount of \$174,000,000.00 shall be deposited into the 2024 Account in the Project Fund for the payment of Costs of the Facilities Project, which Fund is created and established pursuant to Section 4.02(a) hereof.

#### **Section 2.04. Determination of Interest Payable.**

The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the dated date of the Bonds, or unless the date of such Bond is between a

Record Date, and the next succeeding interest payment date, in which case from such Interest Payment Date.

#### **Section 2.05. Refunding Bonds.**

(a) One or more Series of Refunding Bonds may be authorized and delivered upon original issuance to refund all or any portion (as determined by the Authority) of any Outstanding Bonds or any Series thereof, including one or more maturities within such Series of Bonds, upon compliance with the terms and conditions set forth in subsection (b) of this Section 2.05 and in Section 2.02 hereof.

(b) Prior to or simultaneously with the delivery of each such Series of Refunding Bonds pursuant to subsection (a) of this Section 2.05, the Trustee shall receive, in addition to the items required by Section 2.02 hereof:

(i) a certified copy of the resolution of the Public University consenting to the issuance of such Series of Refunding Bonds and pledging the general obligation credit of the Public University to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;

(ii) irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;

(iii) if the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 3.04 to the Holders of the Bonds being refunded, except in the case where any Series of Bonds is not by its terms subject to redemption;

(iv) either (A) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Bonds, if any, to be redeemed or the principal amount of those Bonds, if any, to be paid at maturity, together with accrued interest on such Bonds to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the Holders of the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of Section 11.01 and Section 11.02 hereof, and any moneys required pursuant to said Sections which Government Obligations and moneys shall be held in trust and used only as provided in said Sections and including a verification report to the same effect; and

(v) executed copies of amendments to the Loan Agreement certified to as being in full force and effect by an Authorized Authority Representative and an Authorized Public University Representative.

(c) The proceeds, including accrued interest, of the Refunding Bonds of such Series shall be applied simultaneously with the delivery of such Refunding Bonds, as provided in the Supplemental Indenture authorizing such Refunding Bonds.

(d) Notwithstanding satisfaction of the other conditions to the issuance of a Series of Refunding Bonds set forth in this Section 2.05, while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds, no such issuance may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, unless otherwise permitted by the 2024 Insurer.

#### **Section 2.06. Forms and Denominations of Bonds.**

(a) The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in Exhibit "A" hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds shall be issuable in the form of fully registered Bonds without coupons in Authorized Denominations.

#### **Section 2.07. Method and Place of Payment of Bonds.**

(a) The Trustee is hereby designated as the Authority's Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

(b) The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the Principal Office of the Trustee or of any Paying Agent named in the Bonds.

(d) The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest: (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner; or (ii) by electronic transfer in immediately available funds, if the Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an

acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

#### **Section 2.08. Execution and Authentication of Bonds.**

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and attested by the manual or facsimile signature of its Executive Director (provided the Bonds are not executed by the Executive Director) or Deputy Executive Director, Secretary or any Assistant Secretary, and shall have the official common seal of the Authority or a facsimile thereof affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the forms set forth in Exhibit "A" hereto, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any Authorized Officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

#### **Section 2.09. Registration, Transfer and Exchange of Bonds.**

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, of any Authorized Denomination or Denominations, in an equal aggregate principal amount and of the same maturity and bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any Authorized Denomination or Denominations, and bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Authority, the Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Public University. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the Bonds.

(f) The Trustee shall not be required to transfer or exchange: (i) any Bond during a period beginning at the opening of business 15 days before the day of mailing of any notice of redemption of Bonds and ending at the close of business on the day of such mailing; (ii) any Bond so selected for redemption in whole or in part; or (iii) any Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the relevant Interest Payment Date.

(g) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute Owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Public University, the Authority or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

#### **Section 2.10. Temporary Bonds.**

(a) Until definitive Bonds are ready for delivery, the Authority may execute, and upon the Written Request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, lithographed or typewritten Bonds.

(b) If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon

presentation to it at its Principal Office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond in the same aggregate principal amount and of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

**Section 2.11. Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Authority and the Trustee harmless. In the event any such Bond shall have matured or shall have been selected for redemption, instead of issuing a substitute Bond, the Trustee in its discretion may pay, with funds available under this Indenture for such purpose, such Bond without surrender thereof (except in the case of a mutilated Bond). Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

**Section 2.12. Cancellation and Destruction of Bonds Upon Payment.** All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled and destroyed by the Trustee in compliance with all applicable laws and regulations and the record retention requirements of the Trustee upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so canceled and destroyed, and shall file executed counterparts of such certificate with the Authority and the Public University.

#### **Section 2.13. Book-Entry; Securities Depository.**

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial Owners will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues Replacement Bonds as provided in subsection (b) below. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, redemption premium, if any, and interest on the Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Bonds to the beneficial Owners as described in subsection (b) below.

(b) If: (i) the Authority determines (A) that the Securities Depository is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (B) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any

Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds; or (ii) the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial Owners of the Bonds of such determination or such notice and of the availability of certificates to beneficial Owners of the Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (i)(A) of this subsection (b), the Authority with the consent of the Trustee may select a successor Securities Depository in accordance with subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Registered Owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Authority, the Trustee or the Public University is unable to locate a qualified successor Securities Depository in accordance with subsection (c) below, then the Trustee shall authenticate and cause delivery of Replacement Bonds, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial Owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Public University.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in Authorized Denominations and form as provided herein.

**Section 2.14. Legends.** The Bonds of each Series may contain or may have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or a Supplemental Indenture as may be necessary or desirable to comply with the custom or rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the authentication and the delivery thereof.

## ARTICLE III

### REDEMPTION OF BONDS

**Section 3.01. Redemption of Bonds Generally.** Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such terms, as set forth below pertaining to the 2024 Bonds and the Supplemental Indenture authorizing Refunding Bonds. Except as may be otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the Public University, in accordance with this Indenture or a Supplemental Indenture, as applicable

#### **Section 3.02. Redemption of 2024 Bonds.**

(a) Optional Redemption. The 2024 Bonds maturing on or prior to July 1, 2033 are not subject to optional redemption prior to maturity. The 2024 Bonds maturing on or after July 1, 2034 are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after January 1, 2032 in whole or in part at any time, and, if in part, in such order of maturity as the Public University may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

#### **(b) Mandatory Sinking Fund Redemption.**

(i) The 2024 Bonds maturing on July 1, 2049 are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

| Redemption Date<br><u>(July 1)</u> | Principal Amount to be<br><u>Redeemed</u> |
|------------------------------------|---|
| 2045                               | \$8,070,000                               |
| 2046                               | 8,475,000                                 |
| 2047                               | 8,900,000                                 |
| 2048                               | 9,340,000                                 |
| 2049*                              | 9,810,000                                 |

\*Final Maturity

(ii) The 2024 Bonds maturing on July 1, 2054 are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the

amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

| Redemption Date<br><u>(July 1)</u> | Principal Amount to be<br><u>Redeemed</u> |
|------------------------------------|---|
| 2050                               | \$10,300,000                              |
| 2051                               | 10,815,000                                |
| 2052                               | 11,355,000                                |
| 2053                               | 11,925,000                                |
| 2054*                              | 12,520,000                                |

\*Final Maturity

(c) Credits against Scheduled Mandatory Redemption Obligations. At the option of the Authority with the consent of the Public University, to be exercised by delivery of a Certificate to the Trustee on or before the 45<sup>th</sup> day next preceding any scheduled mandatory redemption date, if any, it may: (i) deliver to the Trustee for cancellation Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations; or (ii) specify a principal amount of Bonds or portions thereof in Authorized Denominations which prior to said date have been purchased or redeemed (otherwise than pursuant to this Section) and cancelled by the Trustee at the request of the Authority with the consent of the Public University and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Authority to redeem Bonds on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Authorized Authority Representative occurring at least 45 days after the delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.]

### Section 3.03. Selection of Bonds to be Redeemed.

(a) The Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds are to be redeemed prior to maturity and in any principal amount within a maturity, such Bonds shall be called for redemption in any order of maturity as the Authority may designate with the consent of the Public University. If the Bonds are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such Bonds and if fewer than all of such Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the Bonds will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

If the Bonds are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same rate of interest are to be redeemed, such Bonds of the same maturity and bearing such interest rate will be selected on a pro-rata basis within any maturity as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (A) the numerator of which is equal to the amount due to the respective registered Owners of the Bonds on a payment date and (b) the denominator of which is equal to the total original principal amount of the Bonds.

(b) In the case of a partial redemption of Bonds when such Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee: (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption; and (ii) for exchange, without charge to the Owner thereof for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a Written Request of the Authority with the consent of the Public University. Such request shall specify the principal amount of the Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory sinking fund redemption of Bonds pursuant to Section 3.02(c)(i), and such Bonds, subject to the exercise by the Authority of its rights under Section 3.02(c), shall be called by the Trustee for redemption pursuant to such mandatory sinking fund redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

### Section 3.04. Notice and Effect of Call for Redemption.

Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days

and not more than 60 days prior to the redemption date to each Registered Owner of the series of Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Bonds of such series are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Bonds.

Any notice of redemption of any series of Bonds pursuant to Section 3.02(a) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds of such series or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds, or portions thereof shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with Section 2.12 and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Bondholders of redeemed Bonds which have not been presented for payment within 30 days after the redemption date.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Bonds being redeemed (provided that the notice may contain the Trustee's standard disclaimer as to the correctness and use of the CUSIP numbers); (2) the date of issue of the Bonds as originally issued; (3) the rate of interest borne by each Bond being redeemed; (4) the maturity date of each Bond being redeemed; and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service or facsimile or electronic submission to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section 3.04 only to the Securities Depository in the form prescribed by the Securities Depository to the Securities Depository at 55 Water Street, New York, New York 10041, Attention: Call Notification Department (Email: [redemptionnotification@dtcc.com](mailto:redemptionnotification@dtcc.com)) or at such other address as may be provided in writing to the Trustee from time to time. The foregoing notice of redemption shall be sent to the Securities Depository at least thirty (30) days prior to the redemption date by certified or registered mail, overnight delivery service, electronic mail with confirmation of receipt or by any other secure method which enables the Trustee subsequently to verify the transmission of such notice. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial Owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Failure of any Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

## ARTICLE IV

### CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

#### **Section 4.01. Pledge Effected by This Indenture.**

(a) There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds issued in anticipation thereof in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, all of the Pledged Property.

(b) All Pledged Property shall immediately be subject to the lien of the pledge made herein for the benefit of the Bondholders without any physical delivery thereof or further act, or any filing, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

(c) The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.

(d) The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the Public University under the Loan Agreement (except for Additional Loan Payments), to the Trustee for the benefit of the Bondholders and covenants and directs the Public University, pursuant to the Loan Agreement, to pay all such Loan Payment amounts (except for Additional Loan Payments) directly to the Trustee.

(e) Nothing contained in this Section 4.01 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by revenues and funds other than the Pledged Property including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

**Section 4.02. Creation of Funds and Accounts.** There are hereby created and ordered to be established in the custody of the Trustee the following special trust Funds and Accounts in the name of the Authority to be designated as follows:

(a) "Project Fund" ("Project Fund"), including an Account established therein for the 2024 Bonds to be held by the Trustee on behalf of the Authority;

(b) "Revenue Fund" ("Revenue Fund"), including Accounts established therein for the 2024 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;

(c) "Operating Fund" ("Operating Fund"), including separate Accounts established therein for the 2024 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;

(d) "Proceeds Fund" ("Proceeds Fund"), including a separate Account established therein for the 2024 Bonds related to the Facilities Project, to be held by the Trustee on behalf of the Authority;

(e) "Debt Service Fund" ("Debt Service Fund"), including separate Accounts established therein for the 2024 Bonds and any Series of Refunding Bonds, and within such Accounts, certain subaccounts as set forth in this Indenture, to be held by the Trustee on behalf of the Authority;

(f) "Debt Retirement Fund" ("Debt Retirement Fund"), including separate Accounts established therein for the 2024 Bonds and any Series of Refunding Bonds, to be held by the Trustee on behalf of the Authority;

(g) "Rebate Fund" ("Rebate Fund"), including Accounts established therein for the 2024 Bonds and any Series of Refunding Bonds issued as Tax-Exempt Obligations, to be held by the Trustee on behalf of the Authority; and

(h) The Trustee shall establish such additional accounts or sub accounts within such funds as are called for by the provisions hereof at such time or times as such accounts or sub accounts are required or become applicable or as directed by the Authority.

#### **Section 4.03. Project Fund.**

(a) There shall be established within the Project Fund a separate Account for the 2024 Bonds related to the Facilities Project referred to as the "2024 Account of the Project Fund".

(b) There shall be paid into such 2024 Account of the Project Fund: (i) the amounts required to be so paid by the provisions of this Indenture, including any proceeds from the Loan in accordance with Section 2.03(b) hereof; (ii) at the option of the Public University, any Proceeds received with respect to the Facilities Project pursuant to Sections 7.06 and 7.07 of the Loan Agreement, (iii) at the option of the Public University, amounts received from the Public University pursuant to Section 4.11 of the Loan Agreement and subsection (f) of this Section

4.03, (iv) at the option of the Public University, amounts received from the Public University from the conveyance or exchange of facilities and/or equipment previously acquired with the proceeds of the Loan and applied pursuant to Section 6.06(B) of the Loan Agreement, and (v) at the option of the Public University, any moneys received by the Authority or the Public University for or in connection with the Facilities Project from any other source, unless required to be otherwise applied in accordance with this Indenture. Any amounts deposited in the 2024 Account in the Project Fund shall be applied in the following order and priority: (A) to pay the Costs of the Facilities Project or to reimburse the Public University for any Costs of the Facilities Project paid by it in accordance with a reimbursement resolution adopted by the Public University, and (B) to the extent not otherwise utilized, moneys in the 2024 Account in the Project Fund shall be transferred to the 2024 Account in the Debt Service Fund or the 2024 Account in the Debt Retirement Fund and applied by the Trustee in accordance with subsection (d) of this Section 4.03.

(c) The Authority shall authorize the Trustee to make payments from the 2024 Account in the Project Fund for the Cost of the Facilities Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (c). Before any such payment shall be made, there shall be filed by the Public University with the Trustee a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit "B" to the Loan Agreement, signed by an Authorized Public University Representative, stating in respect of each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the 2024 Account in the Project Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Public University for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Public University; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or 100% of the payment previously made by the Public University; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and is a proper charge against the 2024 Account in the Project Fund and has not been the basis of any previously paid withdrawal or requisition; (vii) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with, if any; (viii) if such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, that the amount to be paid does not exceed the actual cost thereof to the Public University; (ix) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Indenture and everything required to be performed by the Public University has been performed; (x) the Public University has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons, firms or corporations named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank

transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

(d) The completion of the Facilities Project by the Public University shall be evidenced by a certificate or certificates signed by an Authorized Public University Representative which shall be in substantially the form set forth in Exhibit "C" to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating: (i) that such Facilities Project is complete or has been substantially completed; (ii) the date of completion of the Facilities Project; (iii) the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the Facilities Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the Facilities Project is an authorized "public facility" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the Facilities Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2024 Account in the Project Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized Public University Representative (a copy of which Completion Certificate shall also be provided by the Public University to the Authority), in either: (i) the 2024 Account in the Debt Retirement Fund for application to the retirement of the 2024 Bonds by purchase or redemption; or (ii) the 2024 Account in the Debt Service Fund. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the Facilities Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized Public University Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

(e) Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the Facilities Project or its surety due and owing to the Public University pursuant to Section 4.10 of the Loan Agreement shall be paid to the Trustee for deposit in the 2024 Account in the Project Fund (in accordance with written instructions from the Authority as directed in writing by the Public University) to complete the Facilities Project. Any such moneys not necessary to complete the Facilities Project or not so applied, as stated in a certificate executed by an Authorized Public University Representative delivered to the Trustee, shall be transferred by the Trustee to the 2024 Account in the Proceeds Fund and applied as a credit toward the Public University's Loan Payment obligations with respect to the 2024 Bonds on the next succeeding Loan Payment Date, in accordance with Section 4.08(b) hereof.

(f) In the event the Cost to complete the Facilities Project shall exceed the amount available to the Public University from the portion of the proceeds of the Loan allocable thereto and in the event the Public University elects to undertake such remaining portions of the

Facilities Project, pursuant to Section 4.11 of the Loan Agreement, the Public University shall be obligated to pay such sums as may be required to pay the Cost of the Facilities Project in excess of the amount available to the Public University from the portion of the proceeds of the Loan allocable thereto out of funds legally available therefor. Payment of such additional amounts shall be made by the Public University at the time or times and in the amount or amounts required for the payment of such excess Cost as the same becomes due and payable.

#### **Section 4.04. Reserved.**

**Section 4.05. Revenue Fund.** Except as set forth in Sections 4.06 and 5.02 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 4.07 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article IV.

#### **Section 4.06. Operating Fund.**

(a) Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the 2024 Bonds and the initial advance of the Loan and, thereafter, upon the original issuance of any Series of Refunding Bonds, any proceeds of the Loan and Public University moneys or Bond proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (b) of this Section 4.06.

(b) There shall be established within the Operating Fund separate Accounts for the 2024 Bonds and any Series of Refunding Bonds. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the Public University from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation with respect to any Series of Tax-Exempt Obligations, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of the 2024 Bonds and any Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Bonds any balance then remaining for such Series of Bonds unless the Public University requests, in writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

(c) Amounts paid by the Public University as Additional Loan Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.10 of the Loan Agreement with respect to any Series of Tax-Exempt Obligations and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall

deposit the same in the respective Accounts in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (b) of this Section 4.06.

#### **Section 4.07. Payments From the Revenue Fund Into Certain Funds.**

(a) As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the second Business Day immediately following: (i) a Loan Payment Date; or (ii) the deposit of any Revenues in the Revenue Fund payable by the Public University upon demand pursuant to Sections 5.02(A) and (B) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (i) Revenues representing Loan Payments made by the Public University pursuant to Section 5.02(A) of the Loan Agreement, the amount of such payment being in accordance with Exhibit "A" attached to the Loan Agreement, shall be deposited in the applicable Accounts in the Debt Service Fund in accordance with Section 4.09 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which sinking fund installments shall have been established, to the Debt Retirement Fund; (ii) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(B) of the Loan Agreement shall immediately be deposited in the 2024 Account in the Debt Service Fund and applied in accordance with the provisions of Section 4.09 hereof; (iii) Revenues representing Additional Loan Payments made by the Public University pursuant to Section 5.02(B) of the Loan Agreement, including the annual Authority Administrative Expenses, shall immediately be deposited in the applicable Accounts in the Operating Fund and applied in accordance with the provisions of Section 4.06(C) hereof; and (iv) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Indenture, such that the total balance in each Account in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Indenture to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

(b) Revenues consisting of proceeds representing damages or other moneys from any contractor, subcontractor, manufacturer, supplier or surety shall be immediately credited in accordance with Sections 4.03(e) and 4.08(b) hereof.

(c) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that: (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 5.02 hereof and shall be applied in accordance with the provisions hereof; and (ii) interest earned on any moneys or investments in the 2024 Account

in the Project Fund shall be held in such Account in the Project Fund until delivery of a Completion Certificate for the Facilities Project as required by Section 4.03(d) of this Indenture at which time such moneys shall be applied in accordance with Section 5.02 hereof.

#### **Section 4.08. Proceeds Fund.**

(a) Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 4.03(e) hereof and not necessary to complete the Facilities Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized Public University Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2024 Account in the Project Fund to the 2024 Account in the Proceeds Fund and applied as a credit toward the Public University's Loan Payment obligations pursuant to subsections (b) and (c) below.

(b) Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 4.10 of the Loan Agreement and deposited in the 2024 Account in the Project Fund in accordance with Section 4.03(e) hereof and not necessary to complete the Facilities Project or not otherwise applied to complete the Facilities Project shall be transferred by the Trustee to the 2024 Account in the Proceeds Fund. Proceeds on deposit in the 2024 Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University on each Loan Payment Date for the payment of Debt Service on the 2024 Bonds by the transfer of such proceeds to the 2024 Account in the Debt Service Fund as set forth in a certificate of an Authorized Public University Representative filed with the Trustee at the time of the deposit of the proceeds into the 2024 Account in the Proceeds Fund.

(c) To the extent moneys in the 2024 Account in the Debt Service Fund (other than moneys deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account of the Debt Service Fund) are sufficient to satisfy the amount of Loan Payments due and owing by the Public University for such Bond Year, any such proceeds on deposit in the 2024 Account in the Proceeds Fund or any other Revenues deposited therein shall remain in said 2024 Account in the Proceeds Fund and shall be transferred thereafter into the 2024 Account in the Debt Service Fund on each Loan Payment Date for the payment of Debt Service on the 2024 Bonds until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the Public University in any Bond Year. Any such proceeds or any other Revenues deposited in the 2024 Account in the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel.

(d) To the extent moneys in the 2024 Capitalized Interest Subaccount Account of the 2024 Account of the Debt Service Fund are transferred to the Proceeds Fund in accordance with Section 4.09(g) hereof, such moneys shall be deposited in a separate Account created therein referred to as the "2024 Capitalized Interest Account of the Proceeds Fund" and shall, thereafter, be utilized to pay interest on the 2024 Bonds on the next ensuing Interest Payment Date. The application of such monies deposited therein in accordance herewith shall be credited toward the

Loan Payments due and owing from the Public University in any Bond Year and shall be transferred to the 2024 Account of the Debt Service Fund on each Interest Payment Date for the payment of interest due on the 2024 Bonds until such moneys are exhausted. Any such monies deposited in the 2024 Capitalized Interest Account of the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel.

#### **Section 4.09. Debt Service Fund.**

(a) Pursuant to Section 4.07(a)(i) hereof, Revenues representing Loan Payments from the Public University deposited in the Revenue Fund on any Loan Payment Date shall be transferred to and deposited in the applicable Account in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Accounts in the Debt Service Fund, after all Revenues representing Loan Payments from the Public University originally deposited in the Revenue Fund and transferred to and deposited in the applicable Account in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirement on each Series of Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to and after the application of the provisions of Section 4.10 hereof, in the event such amounts in the applicable Account of the Debt Service Fund are insufficient to meet such Debt Service Requirement on each Series of the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 12.03 hereof, to the Authority and the Authorized Public University Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Loan Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized Public University Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the Public University to cure such deficiency and to enable the Trustee to make a Debt Service payment on the applicable Series of Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative to the Trustee within one (1) Business Day after receipt thereof.

(b) (i) On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date; and (ii) on the Principal Installment Date of each Series of Outstanding Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of

each Series of Outstanding Bonds, where applicable, pursuant to the provisions of subsection (c) below.

(c) The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Bonds and any Series of Refunding Bonds, shall be set aside in the Account established for such Series of Bonds in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.

(d) In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the applicable Account in the Debt Service Fund established for the Series of Bonds being refunded all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Series of Bonds being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless (a) immediately thereafter the Series of Bonds being refunded shall be deemed to have been paid pursuant to Section 11.01 hereof, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to subsection (a) of this Section 4.09 with respect to the Debt Service Requirement on each Outstanding Series of Bonds and Section 4.07 hereof.

(e) The amount deposited in the 2024 Account in the Debt Service Fund representing capitalized interest on the 2024 Bonds shall be set aside in a separate subaccount within such 2024 Account of the Debt Service Fund created herewith and referred to as the "2024 Capitalized Interest Subaccount" and applied in accordance with subsection (g) of this Section 4.09 to the payment of interest due thereon on each Interest Payment Date for the period of time specified therein.

(f) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2024 Account in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the 2024 Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the 2024 Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the 2024 Account in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(c) hereof.

(g) Monies deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account in the Debt Service Fund pursuant to Section 2.03(b)(i) hereof shall be applied to the payment of interest due on the 2024 Bonds on the next ensuing Interest Payment Date; provided, however, to the extent such moneys cannot be used to pay interest on the 2024 Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the 2024 Capitalized Interest Account in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(d) hereof. The application of monies deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account in the Debt Service Fund shall be credited toward that portion of the Loan Payments representing interest on the 2024 Bonds due and owing from the Public University in

any Bond Year and shall be transferred for the payment of such interest on each Interest Payment Date for the 2024 Bonds until such moneys are exhausted.

#### **Section 4.10. Debt Retirement Fund.**

(a) Subject to the limitations contained in subsection (d) of this Section 4.10, if, on any Loan Payment Date prior to any Interest Payment Date or Principal Installment due date, as the case may be, the amount on deposit in the applicable Account of the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (a) of Section 4.07, the Trustee shall transfer from the applicable Account of the Debt Retirement Fund to the applicable Account of the Debt Service Fund an amount (or all of the moneys in the applicable Account of the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.

(b) To the extent not required to make up a deficiency as required in subsection (a) of this Section 4.10, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized Public University Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Bonds.

(c) Upon any purchase or redemption pursuant to this Section 4.10 of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established or delivery to the Trustee for cancellation by the Authority of Bonds of such Series or maturity, there shall be credited toward each such Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased, redeemed, or delivered for cancellation bears to the total amount of all such Sinking Fund Installments to be credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(d) The transfers required by subsection (a) of this Section 4.10 shall be made from amounts in the applicable Account of the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given by the Trustee to Bondholders.

#### **Section 4.11. Satisfaction of Sinking Fund Installments.**

(a) In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least sixty (60) days prior to the date of such Sinking Fund Installment, for cancellation, Bonds of the Series and maturity entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate Redemption Price of such Bonds applicable on the date of such Sinking Fund Installment (or the principal amount thereof if such date be the date of maturity of such Bonds), provided that concurrently with such delivery of such Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an

Authorized Authority Representative specifying: (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered; (ii) the date of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered; (iii) the aggregate Redemption Price on the date of such Sinking Fund Installment (or the principal amount in the case of any Series of Bonds which mature on such Sinking Fund Installment date) of any Bonds so delivered; and (iv) the unsatisfied balance of such Sinking Fund Installment after giving effect to the delivery of such Bonds.

(b) The Trustee shall, upon receipt of the notice required and in the manner provided in Article III hereof, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

#### **Section 4.12. Application of Moneys in the Rebate Fund.**

(a) The Rebate Fund shall be held for the benefit of the United States of America and not for the benefit of the Holders of the Bonds, which Holders shall have no rights in or to such fund.

(b) Subject to this Section 4.12, as of the last day of each fifth Bond Year or more frequently as determined by the Authority (each, a "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America ("Rebatable Arbitrage") pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee at the written direction of the Authority, and upon the receipt of funds from the Public University shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to one hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Rebate Computation Date at issue, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to 90% of the amount of the Rebatable Arbitrage for such period.

(c) Subject to this Section 4.12, as of the last day on which the last Bond remaining Outstanding is retired (the "Final Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee, at the written direction of the Authority, and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Final Computation Date, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to the amount of the Rebatable Arbitrage for such period.

After making any transfer required for a Rebate Computation Date and the Final Computation Date, the Authority shall immediately pay or cause to be paid to the United States of America the amount in the Rebate Fund. The amounts in the Rebate Fund shall not be subject

to the claim of any party, including any Bondholder, and shall not be paid to any party other than the United States of America.

All amounts in the Rebate Fund shall be used and withdrawn by the Authority or the Trustee solely for the purposes set forth in this Section 4.12. In the event the amount in the Rebate Fund is for any reason insufficient to pay to the United States of America the amounts due as calculated in this Section, the Public University, or the Trustee at the written direction of the Authority and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount for such deficiency.

Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Government Obligations, as shall be directed by an Authorized Authority Representative, upon written direction of the Public University, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

(d) Notwithstanding the provisions of this Section 4.12, the Authority hereby agrees to calculate or cause to be calculated the amount to be deposited in the Rebate Fund and the amount to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code in a manner not inconsistent with its arbitrage covenants set forth in the Tax Agreement. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.

(e) The Authority and the Public University agree that the Trustee shall not be liable for any damages, costs or liabilities resulting from the performance of the Trustee's duties and obligations hereunder, except that the Trustee shall be liable for its negligence or willful misconduct. The Public University shall indemnify and hold harmless the Trustee from and against any liabilities which the Trustee may incur in the exercise and performance of its duties and obligations hereunder, excepting only those damages, costs, expenses or liabilities caused by the Trustee's negligence or willful misconduct. In making any deposit or transfer to or payment from the Rebate Fund, the Trustee shall be entitled to rely conclusively and solely on the written instructions of the Authority and shall have no duty to examine such written instruments to determine the accuracy of the Authority's calculation of the Rebatable Arbitrage or the amounts to be paid to the United States. In the event that the Public University or the Authority shall not comply with their respective obligations hereunder, the Trustee shall have no obligation to cause compliance on their respective behalf. The indemnification provisions of this Section 4.12 shall survive the termination of this Indenture and the removal or resignation of the Trustee.

**Section 4.13. Payments Due on Saturdays, Sundays and Holidays.** In any case where the date of maturity of principal or redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

**Section 4.14. Nonpresentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, *N.J.S.A. 46:30B-1 et seq.* with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, *N.J.S.A. 46:30B-1 et seq.* Any money held by the Trustee pursuant to this Section 4.14 shall be held uninvested and without any liability for interest.

**Section 4.15. Reports From Trustee.** The Trustee shall furnish monthly to the Authority and the Public University a report on the status of each of the funds and accounts established under this Article IV which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

**Section 4.16. Certain Verifications.** The Authority, from time to time, may cause a firm of attorneys, consultants or independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public University with such information as the Authority or the Public University may request in order to determine in a manner reasonably satisfactory to the Authority or the Public University all matters relating to (a) the Yield on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Public University. The Authority and the Public University authorize the Trustee to provide to such firm(s) such information as may be required by such firm(s) to make such determinations which the Trustee has maintained on its records pursuant to this Indenture.

**Section 4.17. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority.** Except as set forth in Section 4.14 hereof with respect to unclaimed funds, upon the final maturity of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Indenture for such Series of Bonds shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not

including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the Public University free and clear of the lien and pledge of this Indenture.

## ARTICLE V

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 5.01. Moneys to be Held in Trust.** All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with this Indenture and the Loan Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Pledged Property and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Public University except as provided under Section 5.02 hereof for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

**Section 5.02. Investment of Moneys.** Moneys held in each of the Funds and Accounts hereunder shall, pursuant to the oral (confirmed promptly in writing) or written direction of the Authority, with the prior oral consent of the Public University (confirmed promptly in writing), be invested and reinvested by the Trustee in accordance with the provisions hereof in Investment Obligations which mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Authority regarding investment of funds pursuant to this Section 5.02, moneys held in any fund or account hereunder shall be invested or reinvested in shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may not act as the investment manager or advisor. The Trustee may make any investments permitted by this Section 5.02 through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.12 hereof) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V.

**Section 5.03. Record Keeping.** The Trustee shall maintain records of the investments made pursuant to this Article V and Article IV for at least six years after the payment of all of the Outstanding Bonds.

## ARTICLE VI

### PARTICULAR COVENANTS AND PROVISIONS

**Section 6.01. Payment of Bonds.** The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

**Section 6.02. Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds pursuant to Section 2.05 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Bonds to be refunded.

**Section 6.03. Offices for Servicing Bonds.** The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee, as a Bond Registrar, and the Authority shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services.

**Section 6.04. Further Assurance.** At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Bonds, including any Series thereof.

**Section 6.05. Power to Issue Bonds and Pledge of Pledged Property.** The Authority is duly authorized under all applicable State laws to create and issue the Bonds, to adopt this Indenture and to pledge the Pledged Property purported to be subjected to the lien of this Indenture in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or

of equal rank with, the pledge and assignment created by this Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally binding special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

**Section 6.06. Creation of Liens.** The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Authority or by Fiduciaries under this Indenture, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Indenture shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Indenture shall be discharged and satisfied as provided in Article XI hereof.

**Section 6.07. Accounts and Reports.**

(a) The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the Project and each Fund or Account established under this Indenture. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the Public University and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Trustee or any Fiduciary shall advise the Authority as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Indenture.

(c) The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) days after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Indenture and the security therefor and of the Revenues collected.

(d) The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Indenture, a certificate signed by an Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

(e) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of the Bondholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**Section 6.08. Payment of Taxes and Charges.** The Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Authority or upon the rights, revenues, income, receipts and other moneys, securities and funds of the Authority when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

**Section 6.09. The Loan Agreement.** The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the Public University pursuant to the Loan Agreement. Upon written request of the Trustee, the Authority shall provide the Trustee with copies of all requests for annual Authority Administrative Expenses under the Loan Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the Loan Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the Loan Agreement except in accordance with the provisions of Section 6.15 hereof. Copies of the Loan Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendment thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

**Section 6.10. Power to Determine and Collect Loan Payments.** The Authority has, and will have as long as Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Loan Payments from the Public University.

**Section 6.11. Loan Payments.** Upon execution of the Loan Agreement, and in each and every Fiscal Year during which Bonds are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Loan Payments from the Public University, as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of:

(a) an amount equal to the Debt Service on the Outstanding Bonds for such Fiscal Year; and

(b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

**Section 6.12. Acquisition of the Facilities Project and its Operation and Maintenance.**

(a) The Authority shall cause the Public University to acquire, construct and/or install the Facilities Project with due diligence and in a sound and economical manner.

(b) The Authority shall at all times cause the Public University to use the Facilities Project properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals thereto.

**Section 6.13. Maintenance of Insurance.**

(a) The Authority shall at all times cause the Public University (for the benefit of the Authority) to maintain such insurance as shall be required by the provisions of the Loan Agreement.

(b) Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

**Section 6.14. Application of Insurance Proceeds.** The Proceeds of any insurance, including the Proceeds of any condemnation award paid on account of any damage or destruction to the Facilities Project or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.06 and 7.07 of the Loan Agreement and Sections 4.03(e), 4.07(b) and 4.08(b) hereof.

**Section 6.15. Enforcement of Loan Agreement; Amendments.** The Authority shall enforce the provisions of the Loan Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders. The Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Bonds without the prior written consent of (a)(i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 6.15; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the prior written consent of the Holders of Outstanding

Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the Public University of any amendment to the Loan Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee in accordance with Section 6.09 hereof.

For purposes of this Section 6.15, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any amendment affects the interests of any Holders of Bonds then Outstanding.

**Section 6.16. Additional Covenants with Respect to the Loan Agreement.** So long as any Bonds or any Series thereof shall be Outstanding, the Authority will, at all times:

(a) comply with the obligations on the part of the Authority contained in the Loan Agreement (or any amendment thereto) and require the Public University to comply with its obligation to make Loan Payments thereunder and to pay all other amounts payable under the Loan Agreement (or any amendment thereto) as the same shall become due and payable; and

(b) promptly take all actions or proceedings necessary or required to compel compliance by such other parties to the Loan Agreement (or any amendment thereto) with respect to the obligations contained therein.

**Section 6.17. Reserved .**

**Section 6.18. General.**

(a) Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

(b) The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, this Indenture and the Loan Agreement, including the exercise of its remedies thereunder.

**Section 6.19. Federal Tax Covenants.** The Authority hereby covenants, and the Public University has covenanted in the Loan Agreement, not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Tax-Exempt Obligations. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations which would cause such Series of Tax-Exempt Obligations to be "arbitrage

bonds" (as defined in Section 148 of the Code). The Authority further covenants, and the Public University has covenanted in the Loan Agreement, to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, not to cause the 2024 Bonds and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

**Section 6.20. Secondary Market Disclosure.** The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Bonds or any other Person with respect thereto. The Authority has required the Public University in the Loan Agreement as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for its compliance with secondary market disclosure requirements pursuant to Rule 15c2-12(b) ("Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the Public University and Digital Assurance Certification, L.L.C., acting as dissemination agent. Notwithstanding any other provision of this Indenture, the failure of the Public University to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners of the Bonds (as defined in the Continuing Disclosure Agreement) may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the Public University to comply with its obligations set forth in the Continuing Disclosure Agreement.

**Section 6.21. Financing Statements.** The Authority hereby authorizes the Trustee to prepare and file such financing statements and continuation statements, if applicable, relating to this Indenture (including, but not limited to, the financing statements with respect to the 2024 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

## **ARTICLE VII**

### **DEFAULT AND REMEDIES**

**Section 7.01. Events of Default.** If anyone or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Indenture:

- (a) if default shall be made by the Authority in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable; or
- (b) if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor, when and as such interest installment or Sinking Fund Installment shall become due and payable; or
- (c) if default shall be made in the due and punctual payment of the redemption premium of any Bond when and as the same shall become due and payable; or
- (d) the entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or
- (e) a petition is filed by the Public University under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Indenture or thereafter enacted, unless in the case of a petition filed against the Public University, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public University's property or assets, if such order remains in effect or such possession continues for more than thirty (30) days; or
- (f) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or
- (g) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable

to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(h) if a court having jurisdiction shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days.

With regard to any alleged default concerning which notice is given to the Public University under this Section 7.01, the Authority hereby grants the Public University full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default. Upon the occurrence of an Event of Default for which the Trustee has received notice pursuant to Section 8.03 hereof or under which Section the Trustee is required to take notice, the Trustee shall, within 30 days, give written notice thereof by first class mail to all Bondholders.

**Section 7.02. Acceleration of Maturity in Event of Default.** In each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable upon the occurrence of an Event of Default identified in Section 7.01 hereof, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Indenture or in any of the Bonds to the contrary notwithstanding.

Upon a determination that the principal of all Bonds then Outstanding, and the interest accrued thereon, shall be due and payable immediately by the Trustee in accordance with this Section 7.02, the Trustee shall, within one (1) Business Day thereof provide written notice to the Authority and the Public University of such determination, which notice shall state the amount of the principal of all Bonds then Outstanding, and the interest accrued thereon as of the close of business on such date ("Acceleration Amount") and that such Acceleration Amount must be deposited with the Trustee within forty-five (45) days of such notice. The receipt of any such notice by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative to the Trustee within one (1) Business Day after receipt thereof, provided however failure to acknowledge receipt of such notice shall not reduce the Public University's obligation to pay the Acceleration Amount.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however,

is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee and all other sums then payable by the Authority and the Public University under this Indenture (except the principal of, and interest accrued since the next preceding Interest Payment Date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Authority and the Trustee, may rescind such declaration and annul such default in its entirety or if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

**Section 7.03. Appointment of Receivers in Event of Default.** If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Property and of the Loan Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

**Section 7.04. Exercise of Remedies by the Trustee.**

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the State Uniform Commercial Code) to enforce the payment of the principal of, redemption premium, if any, and interest on the Bonds then Outstanding, to realize on or to foreclose any of its interests or liens hereunder or under the Loan Agreement, to exercise any rights or remedies available to the Trustee, to enforce and compel the performance of the duties and obligations of the Authority as herein set forth and to enforce or preserve any other rights or interests of the Trustee hereunder with respect to any of the Pledged Property or otherwise existing at law or in equity.

(b) If an Event of Default shall have occurred and be continuing, and if requested in writing so to do by the Owners of not less than 51% in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 8.02(e) or Section 8.04 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VII as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in

any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to Section 7.07 hereof, be for the equal benefit of all the Owners of the Outstanding Bonds.

**Section 7.05. Limitation on Exercise of Remedies by Bondholders.** No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 8.03 hereof or of which by said Section the Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than 51% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity as provided in Section 8.02(e) or Section 8.04 hereof, and (d) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Bonds to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Bonds or affect or interfere with the right of any Owner to institute suit for the enforcement of any such payment.

**Section 7.06. Right of Bondholders to Direct Proceedings.** Except as provided in Section 7.05 hereof, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

**Section 7.07. Application of Moneys in Event of Default.** Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Pledged Property, shall be applied in the following order, at the date or dates fixed

by the Trustee and, in case of the distribution of such money on account of principal or redemption premium, if any, or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) **First:** To the payment of all amounts due the Trustee under Section 8.04 hereof;
- (b) **Second:** To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and redemption premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and redemption premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal, redemption premium, if any, and interest, without any preference or priority, ratably according to the aggregate amount so due; and
- (c) **Third:** To the payment of the remainder, if any, to the Public University or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to this Section 7.07, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section 7.07, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States of America under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Public University.

**Section 7.08. Remedies Cumulative.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by

the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Public University, the Trustee, and the Bondholders shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

**Section 7.09. Waivers of Events of Default.** The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written direction of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, provided that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in clause (a) or (b) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, the Public University, the Trustee and the Bondholders shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

**Section 7.10. Cancellation of Bonds Owned by the Public University.** Upon the occurrence of any Event of Default, any Bonds owned by the Public University shall be deemed to be canceled and shall be surrendered to the Trustee, unless the Event of Default has been waived.

## **ARTICLE VIII**

### **THE TRUSTEE**

**Section 8.01. Acceptance of Trusts; Certain Duties and Responsibilities.** The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

- (a) Except during the continuance of an Event of Default,
  - (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
  - (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.
- (b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.
- (c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that
  - (i) this subsection shall not be construed to limit the effect of subsection (a);
  - (ii) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;
  - (iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, and
  - (iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01.

**Section 8.02. Certain Rights of Trustee.** Except as otherwise provided in Section 8.01 hereof:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall be entitled to rely conclusively upon a Certificate of Authorized Authority Representative or a Certificate of an Authorized Public University Representative as to the sufficiency of any request or direction of the Public University or the Authority, as applicable, mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the Public University Board or a resolution of the Authority has been duly adopted, and is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon a Certificate of Authorized Authority Representative or a Certificate of an Authorized Public University Representative, as applicable.

(d) The Trustee may consult with counsel, and the advice or opinions of such counselor any Opinion of Counsel may be conclusively relied upon by the Trustee and shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment or reimbursement of all reasonable fees, costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including those arising in connection with any environmental claim and the fees and expenses of attorneys, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority or the Public University, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations to the value or condition of the Pledged Property or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority or the Public University of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the Public University under any provision of this Indenture.

(h) The Trustee or any of its affiliates, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Authority or the Public University with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for accounting for earnings on Investment Obligations.

(j) The Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed by it with due care hereunder, taking into account the duties with respect to which such Person is appointed, and the Trustee shall not be required to give any bond or surety in respect of the execution, delivery or administration of this Indenture. This subparagraph shall not be interpreted as absolving the Trustee of responsibility with respect to duties customarily performed by corporate trustees in the ordinary course of business without the employment of agents, attorneys or receivers.

(k) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in liability to the Trustee, in its capacity as Trustee or in an individual capacity for which the Trustee has not received indemnity pursuant to Section 8.02(e) hereof from the Owners and the Trustee may conclusively rely upon an Opinion of Counsel addressed to the Authority and the Trustee in determining whether any action directed by Owners or the Authority may result in such liability.

(l) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar or Paying Agent.

(m) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement, advice or opinion to any Owner, the Public University, the Authority or any other Person, and the Trustee shall not incur

any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(n) In acting or omitting to act pursuant to the Loan Agreement or any of the other Loan Documents, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including but not limited to this Article VIII.

(o) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Bonds or for compliance with securities laws in connection with the sale and issuance of the Bonds.

(p) The Trustee shall have no responsibility with respect to compliance by the Authority or the Public University with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Loan Agreement regarding yields on investments.

(q) The Trustee shall not be required to give a bond or surety to act under this Indenture.

(r) The Trustee shall have no duty or obligation to record or file any mortgage or similar document relating to this Indenture, the Loan Agreement, or the Facilities Project.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

**Section 8.03. Notice of Defaults.** The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article IV hereof, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Authority, the Public University, or the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any Event of Default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section 8.03, the Trustee shall give written notice of such Event of Default by first-class mail to all Owners of Bonds as shown on the Bond Register maintained by the Trustee, unless such default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or redemption premium, if any) or interest on any Bond, the Trustee shall be protected in withholding such notice from Bondholders if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

**Section 8.04. Compensation and Reimbursement.** The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for services performed by the Trustee under this Indenture (which in the case of compensation for the Trustee's services shall

be agreed upon by the Authority with the acknowledgment of the Public University), which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust;

(b) except as otherwise expressly provided herein, upon its request, for all services performed by the Trustee (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith; and

(c) of indemnification for, and to be held harmless against, any loss, liability or expense incurred as provided in the Loan Agreement.

Pursuant to the Loan Agreement, the Public University has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee and to reimburse the Trustee and hold it harmless, and the Trustee agrees to look only to the Public University for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Loan Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

All indemnity provisions in favor of the Trustee under this Indenture and the Loan Agreement shall survive the termination of this Indenture and the Loan Agreement and the removal or resignation of the Trustee.

**Section 8.05. Corporate Trustee Required; Eligibility.** There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, with trust and fiduciary powers in the State, and having a combined capital and surplus of at least \$75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 8.05, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with this Section, it shall resign immediately in the manner and with the effect specified in this Article.

**Section 8.06. Resignation and Removal of Trustee.**

(a) The Trustee may resign at any time by giving written notice thereof to the Authority, the Public University and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Public University, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority, and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. In addition, the Authority at the written direction of the Public University (so long as the Public University is not in default under this Indenture and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason. The Authority, the Public University or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time:

(i) the Trustee shall cease to be eligible under Section 8.05 hereof and shall fail to resign after written request therefor by the Authority, the Public University, or by any such Bondowner; or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Trustee, or (b) the Public University or any Bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Trustee under Section 8.07 hereof.

**Section 8.07. Appointment of Successor Trustee.** If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the Public University (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Loan Agreement has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder or under the Loan Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public University and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Pledged Property shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondowners. If a successor Trustee shall be

appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Loan Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the Public University or the retiring Trustee, at the expense of the Public University, or any Bondowner may petition any court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section 8.07 shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article VIII.

**Section 8.08. Acceptance of Appointment by Successor.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the Public University and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of the Authority, the Public University or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.04 hereof and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

**Section 8.09. Merger, Consolidation and Succession to Business.** Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any

successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver such Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

**Section 8.10. Reserved.**

**Section 8.11. Designation of Paying Agents.** The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority, or the Public University on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Bonds, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

**Section 8.12. Advances by Trustee.** If the Public University shall fail to make any payment or perform any of its covenants in the Loan Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Public University. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public University upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the Public University from any default hereunder.

**Section 8.13. Notice to Rating Agencies.** The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Trustee hereunder, (b) the date that no Bonds remain Outstanding, (c) the Trustee becomes aware of any material change made in this Indenture or the Loan Agreement, (d) any redemption of Bonds pursuant to this Indenture other than mandatory sinking fund redemptions, if any, or (e) the acceleration of the Bonds in accordance with Article VII hereof.

**Section 8.14. L. 2005, c. 92 Covenant.** In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

**Section 8.15. Compliance with L. 2005, c. 51.** The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued

compliance with L. 2005, c. 51 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

**Section 8.16. Compliance with L. 2005, c. 271 Reporting Requirements.** The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A. 19:44A-20.13* (L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from at [www.elec.state.nj.us](http://www.elec.state.nj.us).

## **ARTICLE IX**

### **SUPPLEMENTAL INDENTURES**

**Section 9.01. Supplemental Indentures Not Requiring Consent of Bondholders.** The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondholders, enter into one or more Supplemental Indentures, for anyone or more of the following purposes:

(a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; or

(b) To add to the covenants and agreements of the Authority in this Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Authority Representative the power to specify and determine, the matters and things referred to in Sections 2.02 and 2.05 hereof and also any other matters and things relative to such Bonds (including any Series thereof) which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds (including any Series thereof); or

(e) Notwithstanding any other provisions of this Indenture, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Indenture including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Indenture; or

(f) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of fully registered Bonds issued and held in certificated or book-entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Indenture relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Bonds as are appropriate or necessary; or

(g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Revenues or of any other moneys, securities or Funds; or

(h) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; or

(i) To modify any of the provisions of this Indenture in any other respect whatsoever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding; or (ii) if such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Indenture, each Supplemental Resolution shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(j) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture; or

(k) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect.

**Section 9.02. Supplemental Indentures Requiring Consent of Bondholders.** Subject to Section 12.01 hereof, with the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section 9.02 contained shall permit or be construed as permitting without the consent of the Owners of all of the Bonds then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.02, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each

Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section 9.02 permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

**Section 9.03. Public University's Consent to Supplemental Indentures.** Anything herein to the contrary notwithstanding, so long as the Public University is not in default under the Loan Agreement, a Supplemental Indenture under this Article IX shall not become effective unless and until the Public University shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Public University at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

**Section 9.04. Opinion of Bond Counsel.** Notwithstanding anything to the contrary in Sections 9.01 or 9.02 hereof, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 9.01 or 9.02 hereof, there shall be delivered to the Authority and the Trustee an opinion of Bond Counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article IX and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority.

## ARTICLE X

### LOAN TO THE PUBLIC UNIVERSITY

**Section 10.01. Terms and Conditions for Loan.** The Authority shall loan the proceeds of the Bonds (including the 2024 Bonds) to the Public University and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article X.

**Section 10.02. Form of Loan Agreement.** The Loan Agreement shall be in such form as an Authorized Authority Representative determines, with such changes therein as shall be approved by the Authority, as conclusively evidenced by the execution thereof by an Authorized Authority Representative.

**Section 10.03. Delivery of Documents in Connection With the Loan Agreement.** Prior to or at the execution and delivery of the Loan Agreement and the closing of a Series of Bonds, the Authority and the Trustee shall have received the following documents:

- (a) an opinion of Counsel to the Public University to the effect that the Loan Agreement was duly authorized by the Public University;
- (b) a counterpart of the Loan Agreement executed by the Public University;
- (c) certified copies of the authorizing proceedings of the Public University for the execution and delivery of the Loan Agreement; and
- (d) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 10.03 shall be dated the closing date of such Series of Bonds and the opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Bonds.

**Section 10.04. Default Under the Loan Agreement.** The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Authorized Public University Representative of the Trustee's failure to receive a Loan Payment from the Public University and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

Notwithstanding the above, the failure of the Trustee to receive any Loan Payment from the Public University on any Loan Payment Date shall not cause an Event of Default for the purposes of Article VII of this Indenture or the acceleration of any of the Bonds then Outstanding.

**Section 10.05. Trustee's Obligations.** Subject to the provisions of Section 8.01 and Section 8.02 hereof, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of the Loan Agreement including, without limitation, the prompt payment of all Loan Payments and Authority Administrative Expenses, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the Public University under the Loan Agreement and shall at all times, to the extent permitted by State law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the same; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Loan Agreement, subject to the provisions of this Section 10.05.

**Section 10.06. Termination of the Loan Agreement.** Upon the payment in full by the Public University of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Loan Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

**Section 10.07. Files.** After the execution and delivery of the Loan Agreement, the Trustee shall retain all the documents received by it pursuant to this Article X in connection therewith in a file pertaining to the Loan Agreement, to which file the Trustee shall from time to time add all records and other documents pertaining to Loan Payments and other amounts received by the Trustee under the Loan Agreement and all communications from or received by the Trustee with respect to the Loan Agreement and the Public University. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority and the Public University at reasonable times and under reasonable circumstances.

**Section 10.08. Insufficiency of or Failure to Make Loan Payments.**

(a) The Loan Agreement shall provide that the Public University shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.

(b) In accordance with Section 4.09 hereof and subject to and after application of the provisions of Section 4.10 hereof, in the event the Public University has failed to make a Loan Payment on any Loan Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall notify the Authority and the Authorized Public University

Representative, in writing by appropriate transmission in accordance with Section 12.03 hereof, of such deficiency in accordance with the provisions of Section 4.09(a) hereof.

## ARTICLE XI

### SATISFACTION AND DISCHARGE OF INDENTURE

**Section 11.01. Bonds Deemed To Be Paid.** Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall payor provide for the payment of such Bond or Bonds in anyone or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(c) by depositing with the Trustee, in trust: (i) cash or noncallable Government Obligations or both in such amounts and with maturities which will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due; and (ii) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in clause (i) above, a verification report of a nationally recognized Independent Certified Public Accountant as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid. For purposes of this subsection (c), Government Obligations shall mean and include only those obligations specified in clauses (a) and (b) of the definition thereof, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III hereof or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section 11.01, all moneys or Government Obligations set aside and held in trust pursuant to this Section 11.01 for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

**Section 11.02. Satisfaction and Discharge of the Indenture.** If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 11.01 hereof, and provision shall also be made for paying all other sums payable hereunder, any Rebatable Arbitrage to the United States of America and the fees, charges and expenses of the

Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds), the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee, upon Written Request of the Public University, and upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority and the Public University such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Public University or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section 11.02, and compliance with the other payment requirements of Section 11.01 hereof, and subject to this Section 11.02, the Indenture may be discharged in accordance with the provisions hereof, and the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds, which are Tax-Exempt Obligations, is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of Bond Counsel.

**Section 11.03. Payment of Bonds After Discharge.** Notwithstanding the discharge of the lien hereof as in this Article XI provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, *N.J.S.A. 46:30B-1 et seq.*, with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, *N.J.S.A. 46:30B-1 et seq.* Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 11.03 shall be held uninvested and without any liability for interest.

**ARTICLE XII**  
**MISCELLANEOUS PROVISIONS**

**Section 12.01. Consents and Other Instruments by Bondholders.** Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Bond) to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Public University shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Public University.

**Section 12.02. Limitation of Rights Under this Indenture.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, the Paying Agent, the Bond Registrar, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Owners of the Bonds as herein provided.

**Section 12.03 Notices.** Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to

or filed with the Authority, the Trustee or the Public University if the same shall be duly mailed by certified or registered mail addressed (provided that notice to the Trustee shall be effective only upon receipt):

To the Authority at:

The Gloucester County Improvement Authority  
c/o Executive Director  
109 Budd Boulevard  
Woodbury, New Jersey 08096

To the Trustee at:

TD Bank, National Association  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054  
Attention: Corporate Trust Department

To the Public University at:

Rowan University  
201 Mullica Hill Road  
Glassboro, New Jersey 08028-1701  
Attention: Senior Vice President for Finance and Chief Financial Officer

All notices, demands, directions and requests to the Trustee shall be in writing unless expressly stated herein.

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Indenture to be given or filed with the Bondholders if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Bondholders at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

The Trustee is hereby instructed to give notice to any Rating Agency then maintaining a rating on the Bonds if: (i) the Trustee resigns or is removed, or a new Trustee is appointed; (ii) there is a call for the redemption of all Bonds; (iii) all of the Bonds are defeased in accordance with Article XI hereof; or (iv) any amendment is made to this Indenture or the Loan Agreement.

**Section 12.04. Suspension of Mail Service.** If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any

notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

**Section 12.05. Immunity of Officers, Employees and Members of Authority.** No recourse shall be had for the payment of the principal or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

**Section 12.06. Limitation on Authority Obligations.** Any other term or provision in this Indenture, the Loan Agreement, the Tax Agreement or any other Loan Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Loan Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, the Indenture (including the Pledged Property to the extent provided in this Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Loan Agreement under certain circumstances).

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited

extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement). Neither the Authority nor the Public University has any taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the Public University permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

**Section 12.07. Severability.** If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of anyone or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

**Section 12.08. Execution in Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

#### Section 12.09. Reserved.

**Section 12.10. Governing Law.** This Indenture shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of laws principles.

## ARTICLE XIII

### **MATTERS RELATED TO THE 2024 INSURER AND THE 2024 INSURANCE POLICY**

**Section 13.01. Notice and Other Information to be given to the 2024 Insurer.** The Authority and the Public University will provide the 2024 Insurer with all notices and other information it is obligated to provide: (i) under the Continuing Disclosure Agreement; and (ii) to the holders of Insured 2024 Bonds or the Trustee under the Security Documents.

The notice address of 2024 Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27<sup>th</sup> Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2024B0168, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the 2024 Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

**Section 13.02. Defeasance.** The investments in the defeasance escrow relating to Insured 2024 Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the 2024 Insurer.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured 2024 Bonds, the Authority shall deliver to the 2024 Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured 2024 Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the 2024 Insurer and shall be in form and substance satisfactory to the 2024 Insurer. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured 2024 Bonds is excludable) from gross income of the holders of the Insured 2024 Bonds of the interest on the Insured 2024 Bonds for federal income tax purposes and the prior written consent of the 2024 Insurer, which consent will not be unreasonably withheld.

(ii) The Authority and the Public University will not exercise any prior optional redemption of Insured 2024 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (B) as a condition to any such redemption there shall be provided to 2024 Insurer a Verification Report as to the

sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Authority and the Public University shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the 2024 Insurer.

**Section 13.03. Trustee and Paying Agent.** (i) The 2024 Insurer shall receive prior written notice of any name change of the Trustee or, if applicable, the paying agent (the "Paying Agent") for the Insured 2024 Bonds or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by 2024 Insurer in writing.

(ii) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to the 2024 Insurer, shall be qualified and appointed.

**Section 13.04. Amendments, Supplements and Consents.** The 2024 Insurer's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Authority and the Public University shall send copies of any such amendments or supplements to 2024 Insurer and the rating agencies which have assigned a rating to the Insured 2024 Bonds.

(i) *Consent of the 2024 Insurer.* Any amendments or supplements to the Security Documents shall require the prior written consent of the 2024 Insurer with the exception of amendments or supplements:

(A) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(B) To grant or confer upon the holders of the Insured 2024 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured 2024 Bonds, or

(C) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

(D) To add to the covenants and agreements of the Authority and the Public University in the Security Documents other covenants and agreements thereafter to be observed by the Authority and the Public University or to surrender any right or power therein reserved to or conferred upon the Authority and the Public University.

(E) To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).

(ii) *Consent of 2024 Insurer in Addition to Bondholder Consent.* Whenever any Security Document requires the consent of holders of Insured 2024 Bonds, the 2024 Insurer's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of the 2024 Insurer shall be subject to the prior written consent of the 2024 Insurer.

(iii) *Insolvency.* Any reorganization or liquidation plan with respect to the Authority or the Public University must be acceptable to the 2024 Insurer. The Trustee and each owner of the Insured 2024 Bonds hereby appoint the 2024 Insurer as their agent and attorney-in-fact with respect to the Insured 2024 Bonds and agree that the 2024 Insurer may at any time during the continuation of any proceeding by or against the Authority or the Public University under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured 2024 Bonds delegate and assign to the 2024 Insurer, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured 2024 Bonds with respect to the Insured 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(iv) *Control by the 2024 Insurer Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the 2024 Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured 2024 Bonds or the Trustee or Paying Agent for the benefit of the holders of the Insured 2024 Bonds under any Security Document. No default or event of default may be waived without the 2024 Insurer's written consent.

(v) *2024 Insurer as Owner.* Upon the occurrence and continuance of a default or an event of default, the 2024 Insurer shall be deemed to be the sole owner of the Insured 2024 Bonds for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(vi) *Consent of the 2024 Insurer for Acceleration.* The 2024 Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

(vii) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured 2024 Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the 2024 Insurer.

(viii) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (d)(i)-(v) above to the contrary, (1) if at

any time prior to or following an Insurer Default, the 2024 Insurer has made payment under the 2024 Insurance Policy, to the extent of such payment, the 2024 Insurer shall be treated like any other holder of the Insured 2024 Bonds for all purposes, including giving of consents, and (2) if the 2024 Insurer has not made any payment under the 2024 Insurance Policy, the 2024 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2024 Insurer makes a payment under the 2024 Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the 2024 Insurer has failed to make any payment under the 2024 Insurance Policy when due and owing in accordance with its terms; or (B) the 2024 Insurer shall (1) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (2) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (3) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (4) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (5) make a general assignment for the benefit of creditors, or (6) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the 2024 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2024 Insurer (including without limitation under the New York Insurance Law).

**Section 13.05. Pledge of the Loan Agreement.** (i) The security for the Insured 2023 Bonds shall include a pledge and assignment of the Loan Agreement and a default under the Loan Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, the Loan Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured 2024 Bonds.

(ii) Any payments by the Public University under the Loan Agreement that will be applied to the payment of debt service on the Insured 2024 Bonds shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured 2024 Bonds.

**Section 13.06. The 2024 Insurer as a Third Party Beneficiary.** The 2024 Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

**Section 13.07. Payment Procedure Under the 2024 Insurance Policy.** In the event that principal and/or interest due on the Insured 2024 Bonds shall be paid by the 2024 Insurer pursuant to the 2024 Insurance Policy, the Insured 2024 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of the 2024 Insurer, and the 2024 Insurer shall be subrogated to the rights of such registered owners.

In the event that on the second (2nd) business day prior to any payment date on the Insured 2024 Bonds, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured 2024 Bonds due on such payment date, the Paying Agent

or Trustee shall immediately notify the 2024 Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify the 2024 Insurer or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured 2024 Bonds has been required to disgorge payments of principal or interest on the Insured 2024 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify the 2024 Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the 2024 Insurer.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured 2024 Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured 2024 Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the 2024 Insurer, in form satisfactory to the 2024 Insurer, an instrument appointing the 2024 Insurer as agent and attorney-in-fact for such holders of the Insured 2024 Bonds in any legal proceeding related to the payment and assignment to the 2024 Insurer of the claims for interest on the Insured 2024 Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the 2024 Insurance Policy payment from the 2024 Insurer with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such respective holders; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured 2024 Bonds, the Paying Agent or Trustee shall (i) execute and deliver to the 2024 Insurer, in form satisfactory to the 2024 Insurer, an instrument appointing the 2024 Insurer as agent and attorney-in-fact for such holder of the Insured 2024 Bonds in any legal proceeding related to the payment of such principal and an assignment to 2024 Insurer of the Insured 2024 Bonds surrendered to the 2024 Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the 2024 Insurance Policy payment therefore from the 2024 Insurer, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured 2024 Bonds paid by the 2024 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured 2024 Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to the 2024 Insurer, registered in the name directed by the 2024 Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of

principal or interest payable by the Authority on any Insured Obligation or the subrogation or assignment rights of the 2024 Insurer.

Payments with respect to claims for interest on and principal of Insured 2024 Bonds disbursed by the Paying Agent or Trustee from proceeds of the 2024 Insurance Policy shall not be considered to discharge the obligation of the Authority with respect to such Insured 2024 Bonds, and the 2024 Insurer shall become the owner of such unpaid Insured 2024 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to the 2024 Insurer have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the Authority, the Public University and the Paying Agent and Trustee agree for the benefit of the 2024 Insurer that:

(i) They recognize that to the extent the 2024 Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured 2024 Bonds, the 2024 Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority/Public University, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured 2024 Bonds; and

(ii) They will accordingly pay to the 2024 Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured 2024 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured 2024 Bonds to holders, and will otherwise treat the 2024 Insurer as the owner of such rights to the amount of such principal and interest.

**Section 13.08. Additional Payments.** Upon prior written notice from the Authority, the 2024 Insurer or the Trustee of the incurrence of the obligations described hereafter, the Public University agrees unconditionally that it will pay or reimburse the 2024 Insurer on demand, any and all reasonable charges, fees, costs, losses, liabilities and expenses that the 2024 Insurer may pay or incur, including, but not limited to, fees and expenses of the 2024 Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the 2024 Insurer spent in connection with the actions described in the preceding sentence. The Authority and the Public University agree that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the 2024 Insurer until the date the 2024 Insurer is paid in full.

Notwithstanding anything herein to the contrary, upon prior written notice from the 2024 Insurer, the Authority or the Trustee of the incurrence of the obligations described hereafter, the

Public University agrees to pay to the 2024 Insurer: (i) a sum equal to the total of all amounts paid by the 2024 Insurer under the 2024 Insurance Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by the 2024 Insurer until payment thereof in full by the Public University, payable to the 2024 Insurer at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Public University hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured 2024 Bonds on a parity with debt service due on the Insured 2024 Bonds.

**Section 13.09. Debt Service Reserve Fund.** The prior written consent of the 2024 Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the "Debt Service Reserve Fund", if any. Amounts on deposit in the Debt Service Reserve Fund, if any, shall be applied solely to the payment of debt service due on the Insured 2024 Bonds.

**Section 13.10. Exercise of Rights by the 2024 Insurer.** The rights granted to the 2024 Insurer under the Security Documents to request, consent to or direct any action are rights granted to the 2024 Insurer in consideration of its issuance of the 2024 Insurance Policy. Any exercise by the 2024 Insurer of such rights is merely an exercise of the 2024 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured 2024 Bonds and such action does not evidence any position of the 2024 Insurer, affirmative or negative, as to whether the consent of the holders of the Insured 2024 Bonds or any other person is required in addition to the consent of the 2024 Insurer.

**Section 13.11. Additional Provisions with Respect to the 2024 Insurer.** (i) The 2024 Insurer shall be entitled to pay principal or interest on the Insured 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Public University (as such terms are defined in the 2024 Insurance Policy) and any amounts due on the Insured 2024 Bonds as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not the 2024 Insurer has received a claim upon the 2024 Insurance Policy.

(ii) So long as the Insured 2024 Bonds are outstanding or any amounts are due and payable to the 2024 Insurer, the Public University shall not sell, lease, transfer, encumber or otherwise dispose of the Facilities Project or any material portion thereof, except upon obtaining the prior written consent of the 2024 Insurer.

(iii) No contract shall be entered into or any action taken by which the rights of the 2024 Insurer or security for or source of payment of the Insured 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the 2024 Insurer.

(iv) If an event of default occurs under any agreement pursuant to which any Obligation of the Authority or the Public University has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured 2024 Bonds or the 2024

Insurer, as the 2024 Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under the Indenture and the related Security Documents for which the 2024 Insurer or the Trustee, at the direction of the 2024 Insurer, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured 2024 Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly Authorized Officer, all as of the day and year first above written.

**THE GLOUCESTER COUNTY IMPROVEMENT  
AUTHORITY**

By: \_\_\_\_\_  
**CHARLES FENTRESS, Chairman**

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
**CATHERINE M. ALESSI, Vice President**

Acknowledged and Accepted:

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
**JOSEPH F. SCULLY, JR.,**  
Senior Vice President for Finance  
and Chief Financial Officer

**EXHIBIT "A"  
TO TRUST INDENTURE  
(FORM OF 2024 BOND)**

Unless this bond is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

Registered  
No. R-

Registered  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY  
LOAN REVENUE BONDS  
(ROWAN UNIVERSITY PROJECTS), SERIES 2024**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------|--------------|
|                      | July 1, 20____       | February 29, 2024 |              |

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of February 1, 2024 (said Trust Indenture, as amended and supplemented from time to

[Signature Page to the Trust Indenture]

time in accordance with the provisions thereof, being herein called the "Indenture"), by and between the Authority and TD Bank, National Association, as Trustee ("Trustee"), until said Principal Amount is paid.

**Method of Payment.** The principal of and interest on this 2024 Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this 2024 Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this 2024 Bond at the Principal Office of the Trustee. The interest payable on this 2024 Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority ("Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date and shall be paid: (i) by check or draft of the Trustee mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee; or (ii) by electronic transfer in immediately available funds, if the 2024 Bonds are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of 2024 Bonds in the aggregate principal amount of at least \$1,000,000 such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

**Authorization.** This 2023 Bond is one of a duly authorized series of bonds of the Authority designated "The Gloucester County Improvement Authority Loan Revenue Bonds (Rowan University Projects), Series 2024" in the aggregate principal amount of \$167,325,000 ("2024 Bonds"), issued for the purpose of providing funds to Rowan University (herein called the "Public University"), to undertake a project consisting of: (i) the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility to be located on the campus of the Public University in Glassboro, New Jersey on land owned by the Public University; (ii) the undertaking and completion of various improvements and upgrades to various student housing facilities; (iii) undertaking and completing various renovations, improvements and upgrades to Campbell Library; (iv) acquisition and renovation and, thereafter, undertaking and completing various improvements to the Glassboro Intermediate School for new administrative and operational space; (v) undertaking and completing the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (vi) undertaking and completing various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto; (vii) the payment of capitalized interest on the 2024 Bonds; and (viii) the payment of costs and expenses incurred by the Authority and the Public University in connection

with the issuance and sale of the 2024 Bonds, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the County Improvement Authorities Law ("Act"), and pursuant to proceedings duly had by the Authority. The funding will be made pursuant to the Loan and Security Agreement, dated as of February 1, 2024 (said Loan Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Loan Agreement"), by and between the Authority and the Public University.

**Security.** The 2024 Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Loan Agreement (other than its rights to payment of fees and expenses and indemnification) are pledged and assigned by the Authority to the Trustee as security for the 2024 Bonds. Reference is hereby made to the Indenture for a description of the Pledged Property (as defined thereunder) and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the 2024 Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the 2024 Bonds, and a description of the terms upon which the 2024 Bonds are issued and secured, upon which provision for payment of the 2024 Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the 2024 Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the 2024 Bonds are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "Revenue Fund" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

**Interest Rates.** The 2024 Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such 2024 Bonds to which interest has been paid, unless the date of such 2024 Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such 2024 Bond is prior to the first Interest Payment Date of the 2024 Bonds, in which case interest shall be payable from the Dated Date of the 2024 Bonds, or unless the date of such 2024 Bond is between a record date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The amount of interest payable with respect to any 2024 Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The 2024 Bonds maturing on or prior to July 1, 2033 are not subject to optional redemption prior to maturity. The 2024 Bonds maturing on or after July 1, 2034 are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after January 1, 2032 in whole or in part at any time, and, if in part, in such order of maturity as the Public University may direct and, within a maturity, by lot (or other customary method of selection determined by

the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

**Mandatory Sinking Fund Redemption.** The 2024 Bonds maturing on July 1, 2049 are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

| Redemption Date<br><u>(July 1)</u> | Principal Amount to be<br><u>Redeemed</u> |
|------------------------------------|---|
| 2045                               | \$8,070,000                               |
| 2046                               | 8,475,000                                 |
| 2047                               | 8,900,000                                 |
| 2048                               | 9,340,000                                 |
| 2049*                              | 9,810,000                                 |

---

\*Final Maturity

The 2024 Bonds maturing on July 1, 2054 are subject to scheduled mandatory sinking fund redemption by the Authority on July 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

| Redemption Date<br><u>(July 1)</u> | Principal Amount to be<br><u>Redeemed</u> |
|------------------------------------|---|
| 2050                               | \$10,300,000                              |
| 2051                               | 10,815,000                                |
| 2052                               | 11,355,000                                |
| 2053                               | 11,925,000                                |
| 2054*                              | 12,520,000                                |

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\*Final Maturity

**Limitation on Rights; Acceleration; Modifications.** The Owner of this 2024 Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2024 Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the 2024 Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

**Special and Limited Obligations.** Notwithstanding anything to the contrary in the Indenture, the 2024 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or

constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the 2024 Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the 2024 Bonds, but all 2024 Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement as authorized in the Act. Neither the Authority nor the Public University has any taxing power.

**No Recourse.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the 2024 Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the 2024 Bonds.

**Statement of Insurance.** Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this 2024 Bond to TD Bank, National Association, or its successor, as Trustee for the 2024 Bonds. Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these 2024 Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this 2024 Bond, BAM shall be deemed to be the sole owner of the 2024 Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the 2024 Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

**Authentication.** This 2024 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

**IT IS HEREBY CERTIFIED AND DECLARED** that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this 2024 Bond do exist, have happened and have been performed in due time, form and manner as required by law.

**IN WITNESS WHEREOF, THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY** has caused this 2024 Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chair and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

**THE GLOUCESTER COUNTY IMPROVEMENT  
AUTHORITY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the 2024 Bonds described in the within mentioned Indenture.

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication:  
February \_\_\_, 2024

**(FORM OF ASSIGNMENT)**

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification No.) ("Transferee") the within 2024 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within 2023 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_ Signature Guaranteed: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within 2023 Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer identification number of the Transferee is supplied. If the Transferee is a trust, attach names and Social Security or Federal Employer Identification numbers of the settler or beneficiaries, the date of the trust and the name of the trustee.

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## ABBREVIATIONS

The following abbreviations, when used in the description on the face of the within 2023 Bond, shall be construed as though they were written out in full according to applicable laws and regulations.

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with the right  
UNIFORM GIFT MIN ACT (Cus) - Cu

Additional abbreviations may also be used though not in the above list.

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(ii)

(iii)

**THIS LOAN AND SECURITY AGREEMENT**, dated as of February 1, 2024 (together with any supplements and amendments hereto, collectively, the "Loan Agreement"), by and between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of County Commissioners of the County of Gloucester, New Jersey ("County"), and any successor to its duties and functions ("Authority"), and **ROWAN UNIVERSITY** ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* (collectively, the "Rowan Act").

**WITNESSETH:**

**WHEREAS**, the Authority is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including the Public University, for any of their respective governmental purposes; and

**WHEREAS**, the Authority is authorized by the Act to extend credit or make loans to any governmental unit or Person, including the Public University, for the planning, design, acquisition, construction, equipping and furnishing of all or any part of any "public facility" (as defined in the Act), for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon as long as such loans are secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for such purpose by the Authority, and upon such other terms and conditions as the Authority shall deem reasonable; and

**WHEREAS**, the Authority has determined, pursuant to the Act, to finance a capital improvement project consisting of: (i) the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility to be located on the campus of the Public University in Glassboro, New Jersey on land owned by the Public University; (ii) the undertaking and completion of various improvements and upgrades to various student housing facilities; (iii) undertaking and completing various renovations, improvements and upgrades to Campbell Library; (iv) acquisition and renovation and, thereafter, undertaking and completing various improvements to the Glassboro Intermediate School for new administrative and operational space; (v) undertaking and completing the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (vi) undertaking and completing various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the

acquisition and installation of all equipment necessary therefore or related thereto (collectively, the "Facilities Project"); and

**WHEREAS**, all actions necessary and required under the Act for the approval of the Project, including, without limitation, obtaining the consent of the Public University to undertake the financing and the review of and consent to such financing by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been taken prior to the issuance of the 2024 Bonds (as hereinafter defined); and

**WHEREAS**, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the Project (as hereinafter defined) by the issuance of its 2024 Bonds and the lending of the proceeds thereof to the Public University pursuant to the terms and conditions set forth in the Indenture (as hereinafter defined) and in this Loan Agreement; and

**WHEREAS**, pursuant to the terms of this Loan Agreement, the Public University is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the 2024 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) and/or Principal Installment Date (as hereinafter defined), as the case may be; and

**WHEREAS**, the Public University has authorized the performance of its obligations under this Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined); and

**WHEREAS**, the 2024 Bonds will be issued pursuant to the provisions of Sections 2.01, 2.02 and 2.03 of the Indenture.

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

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## ARTICLE I

### DEFINITIONS AND GENERAL PROVISIONS

**SECTION 1.01. Definitions.** The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Loan Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Account" or "Accounts" shall mean, as the case may be, each or all of the Accounts established and created under Article IV of the Indenture.

"Act" shall have the meaning set forth in the Recitals to this Loan Agreement.

"Additional Loan Payments" shall mean any and all amounts payable by the Public University to the Authority pursuant to this Loan Agreement including, but not limited to, Section 5.02(B) hereof, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, all direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Indenture and this Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority or the 2024 Insurer may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the 2024 Insurer to honor its obligations under the 2024 Insurance Policy.

"Annual Authority Administrative Fee" shall mean, with respect to: (i) the 2024 Bonds, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the 2024 Bonds are no longer Outstanding, in the amount of \$5,000; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Refunding Bonds.

"Article" shall mean a specified Article hereof, unless otherwise indicated.

"Authority" shall have the meaning set forth in the Recitals to this Loan Agreement.

"Authority Administrative Expenses" shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under the Indenture and this Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the Project or the compelling of the full and punctual performance of the

Indenture and this Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under the Indenture and this Loan Agreement, all to the extent not capitalized pursuant to the requirements of the Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

"Authorized Authority Representative" shall mean the Chair, Vice Chair, Executive Director, Secretary and any Assistant Secretary, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document or serving in an interim or acting capacity.

"Authorized Public University Representative" shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

"Bond" or "Bonds" shall mean the 2024 Bonds issued pursuant to Sections 2.01, 2.02 and 2.03 of the Indenture to provide funds to finance the Project, together with Refunding Bonds, if any, issued pursuant to Section 2.05 of the Indenture.

"Bond Counsel" shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

"Bondowner", "Bondholder", "Holder", "Owner" or "Registered Owner" means the Person in whose name a Bond is registered on the Bond Register.

"Bond Resolution" shall mean the resolution adopted by the Authority on October 19, 2023, as amended on January 18, 2024, as the same may be further amended, modified and supplemented in accordance with the provisions thereof in connection with the issuance of each Series of Bonds, including the 2024 Bonds.

"Bond Year" shall mean, with respect to the 2024 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the 2024 Bonds or the date that is five (5) years after the Issue Date in the case of the 2024 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2024 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

"Business Day" means a day other than a day: (i) on which banks located in the City of New York, New York, the State of New Jersey or the city in which the Principal Office of the

Trustee is located, is required or authorized by law or executive order to close; and (ii) on which the New York Stock Exchange is not closed.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

"**Completion Certificate**" shall mean the certificate described in Section 4.05 hereof, executed by the Public University, wherein, with respect to the Facilities Project, the Public University certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 4.03(d) of the Indenture.

"**Completion Date**" shall mean the date of completion of the Facilities Project, as stated in the Public University's Completion Certificate described in Section 4.05 hereof.

"**Continuing Disclosure Agreement**" shall have the meaning given to such term in Section 5.14 of this Loan Agreement.

"**Cost**" or "**Costs**" shall mean and shall be deemed to include, with respect to the Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Loan Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of the Facilities Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the Facilities Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, escrow agent fees, verification agent fees, escrow security fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the Public University or the Authority shall be required to pay under the terms of any contract or contracts for the completion of the Facilities Project or the acquisition, construction, equipping and furnishing of the Facilities Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the Facilities Project; (iv) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (v) such other expenses not specified herein or in the Indenture as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the Facilities Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and this Loan Agreement.

"**County**" shall have the meaning set forth in the Recitals to this Loan Agreement.

"**Debt Retirement Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of the Indenture.

"**Debt Service**" for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"**Debt Service Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of the Indenture.

"**Debt Service Requirement**" with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

"**Division**" shall mean the Division of Responsible Party Site Remediation of the NJDEP or any other division of NJDEP responsible for review of environmental cleanup plans.

"**ECRA**" shall mean the Environmental Cleanup Responsibility Act, *N.J.S.A. 13:1K-6 et seq.*, and the regulations promulgated thereunder.

"**Environmental Laws**" shall mean federal, State and local laws and regulations, judgments, orders and permits governing the protection of the environment including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. §9601 *et seq.*), the Resource, Conservation and Recovery Act, as amended (42 U.S.C. §6901 *et seq.*), the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), and Safe Drinking Water Act (42 U.S.C. §§300f through 300j), ECRA, the New Jersey Spill Compensation and Control Act (*N.J.S.A. 58:10-23.11 et seq.*), and any subsequently enacted statutory provisions authorizing equivalent causes of action for claims arising from or related to releases, discharges, threatened releases, or threatened discharges of Hazardous Wastes.

**"Equipment"** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of equipment constituting the Facilities Project.

**"Event of Default"** shall mean a "default" or an "Event of Default" as defined in Section 8.01 hereof but not as defined in Section 7.01 of the Indenture.

**"Facilities Project"** shall mean, collectively: (i) the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility to be located on the campus of the Public University in Glassboro, New Jersey on land owned by the Public University; (ii) the undertaking and completion of various improvements and upgrades to various student housing facilities; (iii) undertaking and completing various renovations, improvements and upgrades to Campbell Library; (iv) acquisition and renovation and, thereafter, undertaking and completing various improvements to the Glassboro Intermediate School for new administrative and operational space; (v) undertaking and completing the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation of all equipment necessary therefor or related thereto; and (vi) undertaking and completing various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefor or related thereto.

**"Favorable Opinion of Bond Counsel"** shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture, any Supplemental Indenture, this Loan Agreement, any amendment or supplement to this Loan Agreement, and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

**"Fiduciary"** or **"Fiduciaries"** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

**"Fiscal Year"** shall mean the respective twelve (12) month fiscal periods of the Public University or the Authority, as applicable.

**"Fitch"** shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Fund"** or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of the Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

**"Hazardous Wastes"** shall have the meaning set forth in Section 2.01(M) hereof.

**"Improvements"** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of capital improvements constituting the Facilities Project.

**"Indenture"** means the Trust Indenture, dated as of February 1, 2024, between the Authority and TD Bank, National Association, as trustee, as amended, modified and supplemented in accordance with the provisions hereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2024 Bonds, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$209,156.25, in connection with the sale and award of the 2024 Bonds; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

**"Insured 2024 Bonds"** means all of the 2024 Bonds.

**"Interest Payment Date"** shall mean: (i) with respect to the 2024 Bonds, each January 1 and July 1 of each year, commencing July 1, 2024; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Issue Date"** shall mean, with respect to (i) the 2024 Bonds, February 29, 2024; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates the Series of Refunding Bonds and on which such Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

**"Item"** shall mean a particular Item of Equipment or specific Improvement, provided however that each Item of Equipment or Improvement may include more than one Unit.

**"Loan"** shall mean the loan made by the Authority to the Public University in the aggregate principal amount of \$167,325,000 (which amount shall also be specified in the Indenture relating to the 2024 Bonds), to finance the aggregate Costs of the Project under the terms and conditions set forth herein.

**"Loan Agreement"** shall mean this Loan and Security Agreement, dated as of February 1, 2024, between the Authority and the Public University, together with any supplements and amendments hereto, relating to the Project to be financed with the proceeds of the Loan.

**"Loan Documents"** shall mean, collectively, this Loan Agreement, the Continuing Disclosure Agreement, the Indenture, and all documents and instruments executed and delivered in connection herewith and therewith and all amendments and modifications hereto and thereto.

**"Loan Payment"** shall mean the sum of money representing principal and interest necessary to amortize Debt Service on the 2024 Bonds payable by the Public University on each Loan Payment Date, as set forth in Exhibit A hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the 2024 Bonds pursuant to Article III of the Indenture and, as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Section 5.02(B) hereof.

**"Loan Payment Date"** shall mean: (i) with respect to the 2024 Bonds, thirty (30) days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be; and (ii) such other dates determined in accordance with this Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

**"Loan Term"** shall mean the period during which this Loan Agreement is in effect as specified in Section 5.01 hereof.

**"Month"** shall mean a calendar month.

**"Moody's"** shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"NJDEP"** shall mean the New Jersey Department of Environmental Protection or any successor agency.

**"Official Statement"** shall mean the Official Statement of the Authority, dated February 15, 2024, prepared in connection with the offering and sale of the 2024 Bonds.

**"Operating Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of the Indenture.

**"Outstanding"** means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except: (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12 of the Indenture; (b) Bonds which are deemed to have been paid in accordance with Article XI of the Indenture; and (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II of the Indenture.

**"Person"** or **"Persons"** shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

**"Prepayment"** shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 hereof.

**"Principal Installment"** shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon; and (ii) any Sinking Fund Installments due on a certain future date for such Series of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

**"Principal Installment Date"** shall mean: (i) with respect to the 2024 Bonds, each July 1 commencing July 1, 2032, on which any Principal Installment shall become due and payable by

the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

**"Proceeds"** shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the Facilities Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the Public University elects to provide self-insurance under Section 7.05 of this Loan Agreement, any moneys payable from any self-insurance fund of the Public University which may lawfully be expended for the purposes for which such self-insurance is provided.

**"Proceeds Fund"** shall mean the Fund so designated, established and created pursuant to Section 4.02(d) of the Indenture.

**"Project"** means, collectively: (i) the Costs of the Facilities Project; (ii) funding capitalized interest on the 2024 Bonds; and (iii) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Bonds.

**"Project Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(a) of the Indenture.

**"Public University"** means the public institution for higher education authorized and created pursuant to State law, the name of which is Rowan University, located in Glassboro, New Jersey.

**"Public University Board"** means the Board of Trustees of the Public University, as the governing body vested with the power of management of the Public University, or a duly authorized committee thereof.

**"Rebate Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(g) of the Indenture.

**"Record Date"** shall mean: (i) with respect to the 2024 Bonds, the fifteenth day of the calendar month immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Refunding Bonds.

**"Refunding Bonds"** shall mean the Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 of the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

**"Registered Owner"** shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

**"Related Document"** means the Indenture, this Loan Agreement or any other transaction document, including any underlying security agreement related to the 2024 Bonds.

**"Revenue Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of the Indenture.

**"Revenues"** shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under this Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

**"Rule"** shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**"Series"** shall mean all of the Bonds authenticated and delivered upon original issuance pursuant to this Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

**"Sinking Fund Installment"** shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series.

**"Standard & Poor's"** or **"S&P"** shall mean S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"State"** shall mean the State of New Jersey or any successor to its duties and functions.

**"Supplemental Indenture"** shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article IX of the Indenture.

**"Tax-Exempt Obligations"** shall mean any Series of Bonds which are issued pursuant to the terms of the Indenture together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**"Trustee"** shall mean, with respect to the 2024 Bonds and any Series of Refunding Bonds issued under the Indenture, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Indenture or appointed trustee pursuant to a Supplemental Indenture.

**"2024 Bonds"** the Series of Tax-Exempt Obligations issued as Bonds so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 of the Indenture in the amount of \$167,325,000 which are designated Loan Revenue Bonds (Rowan University Projects), Series 2024.

**"2024 Insurance Policy"** means the insurance policy issued by the 2024 Insurer guaranteeing the scheduled payment of the principal of and interest on the Insured 2024 Bonds.

**"2024 Insurer"** means Build America Mutual Assurance Company, or any successor thereto or assignee thereof.

**"Underwriter"** shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2024 Bonds.

**"Unit"** shall mean, with respect to each Item, an individual Improvement or piece of Equipment as being a Unit of such Item of Improvement or Equipment.

**"Yield"** shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

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## **ARTICLE II**

### **REPRESENTATIONS AND WARRANTIES**

**SECTION 2.01. Public University's Representations and Warranties.** The Public University represents and warrants that:

(A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, including the Rowan Act, with full power and legal right to enter into this Loan Agreement and to perform its obligations hereunder and under any other Loan Documents to which it is a party.

(B) The entering into of this Loan Agreement by the Public University and the performance of its obligations hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the Public University, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the Public University or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, order of any court or governmental agency.

(C) This Loan Agreement constitutes a legal, valid and binding obligation of the Public University, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affecting generally the enforcement of creditors' rights.

(D) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the Public University, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (1) result in any material adverse change in the financial condition, properties or operations of the Public University that would materially adversely affect the ability of the Public University to make Loan Payments; (2) materially adversely affect the ability of the Public University to perform its obligations under this Loan Agreement; (3) materially impair the Project; (4) materially adversely affect the transactions contemplated by this Loan Agreement; or (5) adversely affect the validity or enforceability of the 2024 Bonds, the Indenture, this Loan Agreement, or any other documents related to the Project.

(E) Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of (1) any law, rule, regulation or, to the knowledge of the Public University, order of any court or governmental agency, or (2) any agreement, instrument or evidence of indebtedness to which the Public University is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the Project and the transactions contemplated hereby and by the other Loan Documents either have been obtained or are reasonably expected to be obtained in due course.

(F) All statements, representations and warranties made by the Public University in connection with the financing of the Project, the issuance of the 2024 Bonds, or the

Loan Documents or in any other document, agreement, certificate or instrument delivered or to be delivered by the Public University in connection with any of the foregoing shall be true, correct and complete in all material respects at the time they were made and on and as of the Issue Date of the 2024 Bonds, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

(G) There has been no material adverse change in the financial condition or operation of the Public University not reflected in any financial statement, certificate or any other document submitted by the Public University to the Authority.

(H) No legislation has been enacted which in any way adversely affects the execution and delivery of this Loan Agreement or the creation, organization or existence of the Public University or the titles to office of any officials thereof or the power of the Public University to carry out its obligations under this Loan Agreement.

(I) Except as otherwise disclosed in the Official Statement, the Public University is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Loan Agreement.

(J) The Public University is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, any judgment, writ, injunction or order of any court or governmental agency.

(K) The Public University has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Loan Agreement to be invalid or unenforceable in whole or in part or which would cause the interest income on any Series of Tax-Exempt Obligations, including the 2024 Bonds, to be included in the gross income of the Holders thereof under the Code.

(L) The undertaking of the Facilities Project in the manner presently contemplated will not materially conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto. The Public University will cause the Facilities Project to be acquired and/or constructed and installed, as the case may be, in accordance with all Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The Public University will acquire and complete the Facilities Project pursuant to this Loan Agreement.

(M) The Public University shall not bring, allow, use or permit upon the Facilities Project or generate or create at or emit or dispose from the Facilities Project any toxic or hazardous gaseous, liquid or solid materials or waste including, without limitation, materials or substances having characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity or substances or materials which are listed on any of the United States Environmental Protection Agency's list of hazardous wastes which are identified in Appendix "A" of N.J.A.C.

7:1E as the same may be amended from time to time (collectively, "Hazardous Wastes"), other than in accordance with applicable Environmental Laws. In the event any such Hazardous Wastes are brought or deposited upon the Facilities Project, the Public University shall cause the removal of same in such manner as is prescribed by all applicable Environmental Laws. The Public University shall comply, at its sole cost and expense, with all Environmental Laws and shall indemnify and hold the Authority harmless from any claims, liabilities, costs or expenses incurred or suffered by the Authority arising from such bringing, allowing, using, permitting, generating, creating or omitting or disposing on the Facilities Project. The Public University's indemnification and hold harmless obligations include, without limitation, (i) claims, liabilities, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other actions, legal or equitable, brought by any private or public Person under any Environmental Laws, (ii) claims, liabilities, costs or expenses pertaining to the clean-up or containment of Hazardous Wastes, the identification of the pollutants in the Hazardous Waste, the identification of the scope of any environmental contamination, the removal of pollutants from soils, riverbeds or aquifers, the provision of any alternative public drinking water source, or the long term monitoring of ground water and surface waters, and (iii) all costs of defending such claim including reasonable counsel fees. Notwithstanding any contrary provision herein, the provisions of this indemnity shall survive the Loan Term.

Should the Division or any other division of NJDEP determine that a cleanup plan be prepared, and that a cleanup be undertaken because of any spills or discharges of Hazardous Wastes at the Facilities Project which occur during the Loan Term, then the Public University shall, at the Public University's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

The Public University and the Authority recognize that no ECRA approvals have been obtained as of the commencement of this Loan Agreement. Therefore, in the event ECRA compliance becomes necessary with respect to the Facilities Project, the Public University shall, at the Public University's own expense, comply with ECRA. The Public University shall also provide all information within the Public University's control requested by the Authority or the Division for preparation of non-applicability affidavits should the Authority or NJDEP so request, and the Public University shall promptly execute such affidavits should the information contained therein be found by the Public University to be complete and accurate.

(N) The Public University shall apply the proceeds from the sale of the 2024 Bonds for the respective purposes specified and in the manner provided for in this Loan Agreement and in the Indenture.

(O) The Public University shall annually provide moneys for payment of its Loan Payment obligations hereunder (including, but not limited to, Debt Service on any Bonds issued by the Authority which are Outstanding under the Indenture, including the 2024 Bonds, and Additional Loan Payments).

(P) Any certificate signed by an Authorized Public University Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the Public University to the Trustee or the Authority, as the case may be, as to the statements made therein.

**SECTION 2.02. Authority Representations and Findings.** The Authority hereby confirms its findings and represents that:

(A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the 2024 Bonds in accordance with the Act and to use the proceeds from the sale of the 2024 Bonds to make the Loan to the Public University.

(B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Loan Agreement, the 2024 Bonds, the Indenture and any and all other agreements relating thereto and to issue, sell and deliver the 2024 Bonds as provided in the Indenture.

(C) By the Bond Resolution, duly adopted by the Authority and still in full force and effect, the Authority has duly authorized the execution, delivery and due performance of this Loan Agreement, the Indenture and the 2024 Bonds and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Indenture, the 2024 Bonds and this Loan Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.

(D) The 2024 Bonds have been duly authorized, executed, issued, sold and delivered and constitute valid and binding direct, limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the Revenues derived pursuant to this Loan Agreement and pledged therefor by the Indenture. The 2024 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by this Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the 2024 Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof, is pledged to the payment of the principal of and interest on the 2024 Bonds, but all 2024 Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under this Loan Agreement, as authorized in the Act.

(E) The adoption of the Bond Resolution and the execution and delivery of the Indenture, this Loan Agreement and the 2024 Bonds, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations

and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained.

(F) The Authority shall apply the proceeds from the sale of the 2024 Bonds and the Revenues derived under this Loan Agreement for the purposes specified and in the manner provided in this Loan Agreement and the Indenture.

(G) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the 2024 Bonds, the Indenture, this Loan Agreement or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exclusion from taxation as set forth herein.

(H) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the Public University shall be deemed a representation and warranty by the Authority to the Trustee or the Public University, as the case may be, as to the statements made therein.

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## ARTICLE III

### ISSUE OF 2024 Bonds; LENDING CLAUSE

**SECTION 3.01. Issue of the 2024 Bonds; Lending Clause.** (A) The Authority shall issue, sell and deliver the 2024 Bonds in accordance with the terms of the Indenture, subject to the execution of one or more bond purchase contracts by and between the Authority and the Underwriter for the 2024 Bonds.

(B) The Authority agrees to lend to the Public University, and the Public University agrees to borrow from the Authority, the proceeds of the 2024 Bonds (including income earned on the investment of 2024 Bond proceeds), to be used in the manner prescribed herein and in the Indenture to (i) finance the Costs of the Facilities Project; (ii) fund capitalized interest on the 2024 Bonds; and (iii) pay certain Costs incidental to the issuance and sale of the 2024 Bonds. The Public University agrees to use its best efforts to expend the 2024 Bond proceeds to complete the acquisition, construction, equipping and furnishing of the Facilities Project no later than February 28, 2027.

(C) Upon original issuance of the 2024 Bonds, proceeds thereof, including accrued interest, if any, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, and capitalized interest, if any, on the 2024 Bonds for deposit in the 2024 Account in the Debt Service Fund established for the 2024 Bonds; (ii) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the 2024 Bonds, including the allocable portion of the Initial Authority Financing Fee, for deposit in the Operating Fund and paid to the Authority in accordance with Section 4.06(b) of the Indenture; and (iii) the amount set forth in Section 2.03(b)(iii) of the Indenture shall be deposited into the 2024 Account in the Project Fund established for the 2024 Bonds and paid in accordance with Section 4.03 of the Indenture.

**SECTION 3.02. Benefit of Bondholders.** This Loan Agreement is executed in part to induce the purchase by others of the 2024 Bonds and, accordingly, all covenants, agreements and representations on the part of the Public University and the Authority, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the 2024 Bonds. As such, any of the Funds created under the Indenture (excluding the Rebate Fund) and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the 2024 Bonds. The Public University, by execution hereof, consents to such assignment for the benefit of the Bondholders to secure repayment of the 2024 Bonds.

**SECTION 3.03. Compliance With Indenture.** The Public University covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with the Indenture, this Loan Agreement and any other Loan Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Indenture and the Loan Documents.

## **ARTICLE IV**

### **ACQUISITION OF THE FACILITIES PROJECT**

#### **SECTION 4.01. The Facilities Project.**

(a) The Authority and the Public University have agreed that the Public University shall acquire, construct, equip and furnish the Facilities Project in accordance with all statutory and regulatory requirements. The Public University agrees that it will use its best efforts to cause such acquisition, construction, equipping and furnishing of the Facilities Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted; but if for any reason such acquisition, construction, equipping and furnishing is delayed there shall be no diminution in or postponement of the amounts payable to the Authority by the Public University under this Loan Agreement.

(b) The Public University shall be responsible for the letting of contracts and for conducting the due diligence on the Facilities Project, including appraisals, title work, environmental surveys, etc., and obtaining all consents, approvals, permits and the like in connection with or relating to the acquisition, construction, equipping and furnishing of the Facilities Project.

(c) The Public University acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the Facilities Project or any contracts or agreements with respect to the Facilities Project. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the Facilities Project or this Loan Agreement.

#### **SECTION 4.02. Deposits to Project Fund.**

(a) The net proceeds of the 2024 Bonds, less the proceeds thereof deposited in the Debt Service Fund, if any, and the Operating Fund (for Costs consisting of costs of issuance with respect to the 2024 Bonds) pursuant to the provisions of the Indenture and the written order of the Authority as to delivery of the 2024 Bonds, will be deposited in the 2024 Account in the Project Fund established under the Indenture and shall be used by the Public University for payment of Costs of the Facilities Project or to reimburse the Public University for any Cost of the Facilities Project upon requisition by the Public University as provided in Section 4.03 of the Indenture and Section 4.03 of this Loan Agreement. The Public University agrees that the sums so requisitioned from the 2024 Account in the Project Fund will be used to pay or to reimburse the Public University for the Costs of the Facilities Project. If for any reason the amount in the 2024 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project and in the event the Public University elects: (i) to undertake such remaining portions of the Facilities Project, the Public University shall pay the remainder of such Costs; or (ii) not to undertake such remaining portions of the Facilities Project, the Public University shall prepare and file with the Trustee the Public University's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement.

(b) The Public University shall have the right to enforce payments from the 2024 Account in the Project Fund upon compliance with the procedures set forth in this Section

4.02, Section 4.03 hereof and Section 4.03 of the Indenture and, in the case of reimbursement for prior advances made by the Public University, upon compliance with the procedures set forth in the Tax Agreement executed by the Authority and the Public University in connection with the issuance of the 2024 Bonds; provided that, during the continuance of an Event of Default (as defined in the Indenture), the Trustee shall apply the Pledged Property including, but not limited to, the 2024 Account in the Project Fund in accordance with the provisions of Article VII of the Indenture and the Loan Documents.

#### **SECTION 4.03. Payments From Project Fund.**

(a) The Authority has, in Section 4.03 of the Indenture, authorized and directed the Trustee to make payments from the 2024 Account in the Project Fund to pay the Costs of the Facilities Project (excluding costs of issuance with respect to the 2024 Bonds which shall be paid from the Operating Fund) or to reimburse the Public University for any Cost of the Facilities Project (excluding costs of issuance with respect to the 2024 Bonds which shall be paid from the Operating Fund) paid by it in accordance with a reimbursement resolution or resolutions adopted by the Public University, upon receipt of a requisition signed by an Authorized Public University Representative, together with a copy of the reimbursement resolution or resolutions adopted by the Public University, stating with respect to each payment to be made: (1) the requisition number, (2) that such payment is to be made from the 2024 Account in the Project Fund, (3) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Public University for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Public University, (4) the amount to be paid, which amount represents the payment due to the Person referenced in clause (3) above, or 100% of the payment previously made by the Public University, (5) the particular item of Cost to be paid to which the requisition relates, (6) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and is a proper charge against the 2024 Account in the Project Fund and has not been the basis of any previously paid withdrawal or requisition, (7) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with, if any, (8) if such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, that the amount to be paid does not exceed the actual cost thereof to the Public University, (9) that no uncured Event of Default has occurred under this Loan Agreement or the Indenture (as defined in Section 7.01 thereof) and everything then required to be performed by the Public University has been performed, (10) the Public University has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons, firms or corporations named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition, and (11) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Public University agrees with the Authority as a condition precedent to the disbursement of any portion of the 2024 Account in the Project Fund to comply with the terms of this Loan Agreement, the Indenture and, in the case of any requests for reimbursement, the Tax Agreement and to furnish the Trustee with a requisition form

substantially in the form set forth as Exhibit B annexed hereto and incorporated by this reference herein and, if applicable, a copy of the reimbursement resolution or resolutions.

**SECTION 4.04. Cooperation in Furnishing Documents.** The Authority agrees to cooperate with the Public University in furnishing to the Trustee any documents that are required to effect payments out of the 2024 Account in the Project Fund in accordance with Section 4.03 hereof and Section 4.03 of the Indenture. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the 2024 Account in the Project Fund available for payment under the terms of the Indenture.

**SECTION 4.05. Completion Date.** Upon completion of the Facilities Project, the Public University shall deliver to the Trustee and the Authority the Public University's Completion Certificate, the form of which is annexed hereto as Exhibit C and incorporated by this reference herein, which Completion Certificate shall evidence completion of the Facilities Project, and in compliance with the provisions of Section 4.03(d) of the Indenture shall state: (i) that the Facilities Project is complete or has been substantially completed; (ii) the date of completion of the Facilities Project; (iii) the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the Facilities Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the Facilities Project is an authorized "public facility" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the Facilities Project have been obtained and are in effect. Notwithstanding the foregoing, the Public University's Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. Any amount remaining in the 2024 Account in the Project Fund thereafter (except for amounts therein sufficient to cover Costs of the Facilities Project, not then due and payable or not then paid) shall be applied by the Trustee in the manner set forth in Section 4.03(d) of the Indenture. If for any reason the amount in the 2024 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project, the Public University shall make the election to either not undertake the remaining portion of the Facilities Project or undertake the remaining portion with its own available funds.

**SECTION 4.06. Bonds Issued as Tax-Exempt Obligations Not to Become Arbitrage Bonds.** As provided in Article V of the Indenture, the Trustee will invest moneys held by the Trustee as directed by the Authority, in writing, upon written instructions from the Public University. The Public University hereby covenants to the Authority and to the Holders of any Bonds issued as Tax-Exempt Obligations that, notwithstanding any other provision of this Loan Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund or other proceeds of any Series of Bonds issued as Tax-Exempt Obligations which would cause such Series of Bonds issued as Tax-Exempt Obligations to be arbitrage bonds under Section 148 of the Code, and that it will comply with the requirements of such Section throughout the term of such Series of Bonds issued as Tax-Exempt Obligations.

**SECTION 4.07. Restriction on Use of Project Fund.** The Public University shall not use or direct the use of proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund in any way, or take or omit to take any other action, so as to cause the interest on such Tax-Exempt Obligations to be included in gross income of the Owners thereof for federal income taxation purposes.

**SECTION 4.08. Due Diligence Requirement.** Except to the extent otherwise approved by a Favorable Opinion of Bond Counsel, such opinion being paid for by the Public University and addressed to the Trustee, the Authority and the Public University and being satisfactory to the Authority, the Public University shall reasonably expect to have completed the Facilities Project with due diligence and caused all of the proceeds of the 2024 Bonds to be expended for Costs of the Facilities Project or to be transferred from the 2024 Account in the Project Fund and applied as described in Section 4.09 hereof and Section 4.03(d) of the Indenture within three (3) years of the Issue Date of the 2024 Bonds.

**SECTION 4.09. Completion of Facilities Project; Excess 2024 Bond Proceeds.** When the Public University certifies to the Trustee and the Authority, in the manner provided in Section 4.05 hereof and in Section 4.03(d) of the Indenture, that the acquisition, construction, equipping and furnishing of the Facilities Project is complete, excess 2024 Bond proceeds remaining in the 2024 Account in the Project Fund shall be applied by the Trustee, at the written direction of an Authorized Public University Representative, in accordance with the provisions of Section 4.03(d) of the Indenture. If for any reason the amount in the 2024 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project and in the event the Public University elects to: (i) undertake such remaining portions of the Facilities Project, the Public University shall pay the remainder of such Costs with its own available funds; or (ii) not to undertake such remaining portions of the Facilities Project, the Public University shall prepare and file with the Trustee the Public University's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement.

**SECTION 4.10. Default in Performance.** If there is an event of default by any contractor or any party under any contract made in connection with the Facilities Project, the Public University will promptly proceed, either separately or in conjunction with others, to exhaust the remedies against the party so in default and against each surety for the performance of such party. The Public University agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Public University may, in good faith, with notice to the Authority and at the cost and expense of the Public University, prosecute or defend any action or proceeding or take other action involving any such party which the Public University deems reasonably necessary and which may be required for the successful completion of the Facilities Project, and in such event, the Authority hereby agrees to cooperate fully with the Public University. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be deposited into the 2024 Account in the Project Fund and shall be used to complete the Facilities Project or shall be deposited into the 2024 Account in the Proceeds Fund and shall be applied by the Trustee as a credit toward the Public University's Loan Payments in accordance with the provisions of Section 4.08 of the Indenture, as shall be determined by the Authority in accordance with written instructions from the Public University.

**SECTION 4.11. Sufficiency of 2024 Bond Proceeds; Completion of the Project.** The Public University agrees that the net proceeds of sale of the 2024 Bonds deposited in the 2024 Account in the Project Fund established under the Indenture will be sufficient to pay the estimated Costs of the Facilities Project. In the event the Cost to complete the Facilities Project shall exceed the amounts available to the Public University in the 2024 Account in the Project Fund from the 2024 Bond proceeds and, in the event the Public University elects to undertake such remaining portions of the Facilities Project, the Public University shall pay such Costs out of funds legally available therefor.

**SECTION 4.12. Substitution by the Public University With Respect to Facilities Project.** The Public University is hereby granted the following options of substitution or addition of Equipment or Improvements with respect to the Facilities Project as originally set forth in this Loan Agreement:

(A) Prior to the Public University's delivery of a Completion Certificate for any Item, the Public University may, for any reason, elect to substitute one or more other Items of Equipment or Improvements for the Items that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized Public University Representative expressing the Public University's intent to substitute Equipment or Improvements pursuant to this Loan Agreement and to the effect that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the 2024 Bonds for which a Completion Certificate has been delivered (exclusive of these additional contemplated Items), when added to the value of the new Items of Equipment and Improvements to be purchased with proceeds of the 2024 Bonds is equal to at least 100% of the amount of 2024 Bond proceeds initially deposited in the 2024 Account in the Project Fund established pursuant to the Indenture for the 2024 Bonds; (ii) a list or summary of such new Items of Equipment to be acquired and/or Improvements to be constructed is prepared by or on behalf of the Public University and submitted, in writing, to the Authority; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each of such substitutions and this Loan Agreement, as supplemented thereby, are in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

(B) The Public University may not elect to substitute or exchange Equipment or Improvements for Items or Units constituting the Facilities Project for which the Public University has furnished to the Trustee a Completion Certificate.

(C) To the extent excess proceeds of the 2024 Bonds remain in the 2024 Account in the Project Fund as set forth in the Indenture after all of the Items of Equipment and Improvements to be financed with a portion of the proceeds of the 2024 Bonds have been acquired or completed, the Public University may apply such excess proceeds of the 2024 Bonds to the purchase of additional Items but such application may only occur if the Trustee shall have received: (i) a Certificate of an Authorized Public University Representative expressing the Public University's intent to add Items pursuant to this Loan Agreement and to the effect that the aggregate value of all Items financed with the proceeds of the 2024 Bonds for which a Completion Certificate has been delivered (exclusive of these additional contemplated Items)

when added to the value of the new Items to be purchased with the proceeds of the 2024 Bonds, will be equal to at least 100% of the amount of 2024 Bond proceeds initially deposited in the 2024 Account in the Project Fund established for the 2024 Bonds; (ii) a list or summary of such new Items of Equipment to be acquired and/or Improvements to be constructed is prepared by or on behalf of the Public University and submitted, in writing, to the Authority; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each such additional Item and this Loan Agreement as supplemented thereby is in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority, and (iv) an opinion of Bond Counsel to the effect that each such additional Item will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

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## ARTICLE V

### TERM AND PAYMENTS

**SECTION 5.01. Loan Term.** This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the 2024 Bonds and any and all other Costs with respect to the Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the Public University shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the Public University under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct, general, irrevocable and unconditional obligations of the Public University payable from any source legally available to the Public University.

**SECTION 5.02. Payments.** (A) Loan Payments. The Public University agrees to repay the Loan in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the 2024 Bonds. The Public University agrees to pay to the Trustee, in immediately available funds, at the address shown on Exhibit E annexed hereto and incorporated by this reference herein or at such other address as the Public University may be notified in writing pursuant to Section 9.11 of this Loan Agreement, on each Loan Payment Date, an amount in accordance with the schedule of Loan Payments for the 2024 Bonds set forth in Exhibit A annexed hereto and incorporated by this reference herein, which will equal the Public University's Loan Payment obligation which is to be applied to the Debt Service payable on the 2024 Bonds on the immediately succeeding Interest Payment Date or Principal Installment Date, as applicable; provided, however, that with respect to the Loan Payments required to be paid pursuant to this Section 5.02, no Loan Payments shall be payable on any Loan Payment Date to the extent the Debt Service payable on such Loan Payment Date shall be paid or provided for under the Indenture from the proceeds of the 2024 Bonds designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Indenture.

(B) Additional Payments. In addition to the Loan Payments required by paragraph (A) of this Section 5.02, the Public University agrees to pay the following additional amounts to the Trustee and the 2024 Insurer:

(i) The Public University shall pay to the Trustee, as the same shall become due and payable at any time during the Loan Term, on any Loan Payment Date or thirty (30) days after written demand by the Trustee, such sums as represent Additional Loan Payments including, but not limited to, Authority Administrative Expenses, interest on the 2024 Insurer advances (as more fully described in Section 13.08 of the Indenture), any other amounts due to the 2024 Insurer pursuant to Section 13.08 of the Indenture and any other amounts due hereunder, as shall have been submitted by the Authority or the 2024 Insurer, as applicable, in writing, to the Trustee, with a copy to the Public University; provided that, while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds, the 2024 Insurer may submit a written demand to the Public University of any Additional Loan Payments due and

owing to the 2024 Insurer in which event such amounts shall be paid by the Public University to the 2024 Insurer. Specifically, but not by way of limitation, the Public University agrees to pay to, or upon the order of, the Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Bonds being issued by the Authority and (b) on each anniversary of the Issue Date with respect to each Series of Bonds until such time as such Series of Bonds are no longer Outstanding, the Annual Authority Administrative Fee;

(ii) The Public University shall pay to the Trustee amounts required to be paid by the Public University pursuant to Section 4.11 hereof; and

(iii) In the event the Public University fails to make any Loan Payment or Additional Loan Payment in accordance with the provisions of this Section 5.02 on its due date, the Public University shall pay interest (to the extent permitted by law) on such overdue Loan Payment or Additional Loan Payment at the highest rate per annum borne by the 2024 Bonds until paid, which interest shall be paid directly to the Authority.

**SECTION 5.03. Application/Assignment of Payments.** (A) Except as is specifically provided in Section 5.02(B)(i) hereof with respect to payments to be made directly to the 2024 Insurer, the Loan Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Loan Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Loan Agreement and the Indenture.

(B) The interest, if any, due thereon pursuant to clause (iii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

### **SECTION 5.04. [Reserved].**

**SECTION 5.05. Public University Loan Payment Obligations Unconditional.** The obligations of the Public University to make payments required under Section 5.02 hereof and all other payments required under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, shall be absolute and unconditional without counterclaim, recoupement, defense or set-off by reason of any default by any party under any contract for the Facilities Project or by the Authority under this Loan Agreement or under any other agreement, if any, between the Public University and the Authority. Except as may be expressly provided herein or in the Indenture, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence or complete the Facilities Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Facilities Project, the taking of any part of the Facilities Project, frustration of purpose, failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, it being the intention of the parties that the payments required of the Public University hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the Public University to the Authority shall be made without prejudice to the right of the Public University to proceed against the Authority, or the defaulting party, as a result of the foregoing.

Notwithstanding anything in this Loan Agreement to the contrary, the cost and expense of the performance by the Public University of its obligations under this Loan Agreement and the incurrence of any liabilities of the Public University under this Loan Agreement including, without limitation, the obligation for the payment of all Loan Payments and all other amounts required to be paid by the Public University under this Loan Agreement is an unsecured and general obligation of the Public University.

**SECTION 5.06. Prepayments.** To the extent the 2024 Bonds are subject to optional redemption under the Indenture, the Public University shall have the option to prepay in full or in part the unpaid balance of the Loan, together with the Redemption Price, if any, on the 2024 Bonds, and accrued interest to the redemption date, upon written notice to the Trustee, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Authority of its intention to prepay the Loan, which notice shall comply in all respects with the applicable provisions of the Indenture. The Public University shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the Debt Retirement Fund to be applied to the redemption of the 2024 Bonds in accordance with Section 4.10 of the Indenture.

In addition, pursuant to Section 2.05 of the Indenture, the Authority shall have the right to effectuate a refunding of the 2024 Bonds through the issuance of Refunding Bonds, and the Public University shall consent, in a writing addressed to the Authority, to the issuance of such Refunding Bonds prior thereto.

**SECTION 5.07. Payment on Termination of Loan Agreement.** The Authority agrees that, upon termination of this Loan Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing including, but not limited to, the Annual Authority Administrative Fee, or due to the 2024 Insurer or the Fiduciaries for fees and expenses of the same, and so long as no Series of Bonds remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the Public University of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Indenture and this Loan Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority and/or the 2024 Insurer, the Public University shall immediately reimburse the Authority and/or the 2024 Insurer therefor.

**SECTION 5.08. Indemnification of Authority.** Both during the Loan Term and thereafter, to the extent permitted by law, the Public University shall indemnify and hold the Authority harmless against, and the Public University shall pay, any and all liability, loss, cost, damage, claim, judgment or expense, of any and all kinds or nature and however arising, (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Public University relating to the Project, or arising out of the use, operation or maintenance of the Facilities Project pursuant to this Loan Agreement; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, arising out of or caused by any untrue or misleading statement of a material fact relating to the Public University in Appendix A of the Official

Statement or any omission of any material fact relating to the Public University in Appendix A in the Official Statement. It is mutually agreed by the Public University and the Authority that the Authority, and any of its members, professionals, officers, agents, servants or employees shall not be liable in any event for any action performed or omitted to be performed under this Loan Agreement and that the Public University shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder and under any of the other Loan Documents except for such claims or suits arising as a result of the Authority's gross negligence or willful misconduct. This provision shall survive the end of the Loan Term and the final maturity of all Bonds issued and Outstanding pursuant to the Indenture and any Supplemental Indentures.

The Public University, at its own cost and expense, shall defend any and all such claims, suits and actions which may be brought or asserted against the Authority, their respective members, professionals, officers, agents, servants or employees relating to the performance of its obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Loan Agreement from its obligation to defend the Public University, the Authority, the Trustee and any other insured named in such policy or policies of insurance in connection with claims, suits or actions covered by such policy or policies. The Public University agrees that it shall give the Authority and the Trustee prompt notice, in writing, of the Public University's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

The Authority agrees that it:

(i) shall give the Public University prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;

(ii) shall not, without the prior written consent of the Public University, adjust, settle or compromise any such claim, suit or action; and

(iii) shall permit the Public University to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the Public University shall keep the Authority informed as to the progress of any suit, claim or action, and the Public University shall not reach a final settlement, adjustment or compromise without the Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of its members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the Public University and shall constitute an Additional Loan Payment pursuant to Section 5.02(B)(i) hereof.

**SECTION 5.09. Nature of Obligations of the Authority.** The cost and expense of the performance by the Authority of any of its obligations under this Loan Agreement shall be limited to the availability of the proceeds of the 2024 Bonds of the Authority issued for such purposes or from other funds received by the Authority under this Loan Agreement and available for such purposes.

**SECTION 5.10. Financial Reports.** The Public University covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) the adopted budget for the ensuing Fiscal Year; and (ii) such other financial information relating to the ability of the Public University to continue to meet its obligations under this Loan Agreement as may be reasonably requested by the Authority and/or the Trustee.

In addition, no later than sixty (60) days after the receipt and acceptance thereof by the Public University, a detailed audit report for the preceding Fiscal Year, certified by certified independent public accountants selected by the Public University, presenting the Public University's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year.

**SECTION 5.11. Performance Bonds and Other Financial Guaranty.** To the extent required in connection with the undertaking of the Facilities Project, any performance bond, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.11 shall be made payable to the Public University, the Authority and the Trustee, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.11 shall be paid over to the Trustee for deposit into the 2024 Account in the Proceeds Fund and may be applied toward the Costs of the Facilities Project or as a credit toward the Loan Payment obligations of the Public University hereunder in accordance with the provisions of Section 4.07(b) of the Indenture.

**SECTION 5.12. Net Loan Agreement.** This Loan Agreement shall be deemed and construed to be a "net loan agreement," and the Public University shall pay absolutely net during the Loan Term the Loan Payments and all other payments required under this Loan Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 5.13. Public University Budget Notice; Loan Payments.** The Public University shall cause the officials of the Public University responsible for preparing and presenting to the Board of Trustees of the Public University the budget request for each Fiscal Year to include in each such budget request the Loan Payments scheduled to become due in such Fiscal Year. The Public University shall give the Authority, the 2024 Insurer and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget that does not include sufficient amounts to pay the Loan Payments due in such Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a Public University budget.

**SECTION 5.14. Secondary Market Disclosure.** The Public University covenants that, as an Obligated Person pursuant to Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof (collectively, the "Rule"), it will execute and deliver a Continuing Disclosure Agreement to be entered into with Digital Assurance Certification, L.L.C., acting as dissemination agent ("Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will set forth the obligations of the Public University to: (i) file budgetary, financial

and operating data on an annual basis and notices of the occurrence of certain enumerated events; and (ii) identify any instances in the previous five (5) years in which the Public University failed to comply, in all material respects, with any previous undertakings to provide secondary market disclosure, as required to comply with and in accordance with the provisions of the Rule.

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## **ARTICLE VI**

### **SPECIAL COVENANTS**

#### **SECTION 6.01. Compliance With Laws and Regulations.**

The Public University will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements which may be applicable to the Public University, the Facilities Project, or the use or manner of use of the Facilities Project, provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and will not result in a material, adverse detriment to the Facilities Project and provided further that such contest will not result in a forfeiture or reversion of title. The Public University will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities Project provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and provided further that it will not result in a material, adverse detriment to the Facilities Project or result in a forfeiture or reversion of title.

**SECTION 6.02. Covenant Against Waste.** The Public University covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any Item comprising the Facilities Project.

**SECTION 6.03. Right of Inspection.** The Public University covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to inspect the properties comprising the Facilities Project at all reasonable times during regular business hours for the purpose of inspecting same, upon not less than twenty-four (24) hours prior telephonic or written notice from the Authority, except that entry may be made at any time without notice in the event of an emergency.

**SECTION 6.04. Condition of the Facilities Project.** The Authority makes no representations whatsoever in connection with the condition of any Item comprising the Facilities Project, and the Authority shall not be liable for any defects therein.

#### **SECTION 6.05. Assignment of Loan Agreement by the Public University.**

This Loan Agreement may not be assigned in whole or in part by the Public University without the prior written consent of the Authority, which consent shall not be unreasonably withheld, and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that any such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the 2024 Bonds. No such disposition or assignment shall relieve the Public University from primary liability for any of its obligations hereunder or under any of the other Loan Documents, and in the event of any such disposition or assignment the Public University shall continue to remain liable for the payments specified in this Loan Agreement and for performance and observance of the other agreements on its part herein and therein provided.

**SECTION 6.06. Sale, Lease or Sublease.** (A) The Public University shall not sell, exchange, transfer, lease or sublease any Item comprising the Facilities Project, or any portion thereof or interest therein, respectively, without (i) the prior written consent of the

Authority, which consent shall not be unreasonably withheld, and (ii) the receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that such sale, exchange, transfer, lease or sublease will not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the 2024 Bonds. No sale, exchange, transfer, lease or sublease shall reduce the Public University's obligations hereunder.

(B) Any moneys received by the Public University from the sale, exchange, transfer, lease or sublease of any Item comprising the Facilities Project, or any portion thereof or interest therein, respectively, undertaken in accordance with the provisions hereof shall be deposited in the 2024 Account in the Project Fund held by the Trustee and shall be applied, at the Public University's written direction (with a copy to the Authority and the Trustee), (i) to the costs of other capital improvements designated by the Public University, in writing (with a copy to the Authority and the Trustee) or (ii) as a credit toward the Public University's Loan Payment obligations in accordance with the provisions of Sections 4.07 and 4.09 of the Indenture and used to pay Debt Service on the 2024 Bonds.

**SECTION 6.07. Cooperation by the Public University.** The Public University shall give the Authority its full cooperation and assistance in all matters relating to financing of the Costs of the Project.

The Public University agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the Public University and the Project, the operations and finances of the Public University and such other matters necessary to enable the Authority to complete and publish the Official Statement relating to the sale of the 2024 Bonds, or to enable the Authority to make any reports required by law or governmental regulations.

**SECTION 6.08. Pledge of the Public University.** The Public University unconditionally and irrevocably pledges its general credit and covenants to exercise its corporate powers for the punctual payment of the principal and redemption premium, if any, of the Loan, the interest on the Loan and all other amounts due under this Loan Agreement according to the terms hereof.

**SECTION 6.09. Compliance With Laws.** The parties to this Loan Agreement agree to comply with all laws (including, but not limited to, Environmental Laws) of the United States and the State or other governmental bodies or entities having jurisdiction over the Public University, the Facilities Project or this Loan Agreement and applicable to the performance of this Loan Agreement.

**SECTION 6.10. Federal Tax Covenants.** The Public University hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations, including the 2024 Bonds, to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Obligations. The Public University further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations, including the 2024 Bonds, which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Public

University further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Public University further covenants not to cause any Series of Tax-Exempt Obligations, including the 2024 Bonds, to become "private activity bonds" (within the meaning of Section 141 of the Code).

**SECTION 6.11. Affirmative Covenants.** So long as the 2024 Bonds remain Outstanding, the Public University will, unless the Authority shall otherwise consent in writing:

(a) Preserve and maintain its legal existence, rights, franchises and privileges.

(b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.

(c) Maintain and preserve, or cause to be maintained and preserved, in good working order and condition (the latter to the extent applicable) each Item comprising the Facilities Project or any portion thereof necessary or useful in the proper conduct of its operation.

(d) Maintain and keep in effect or cause to be maintained and kept in effect any approvals, licenses, permits and similar documents necessary in the proper conduct of its operations at or related to each Item comprising the Facilities Project.

(e) Acquire, operate, use and maintain each Item comprising the Facilities Project in accordance with all applicable federal, State, Public University and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to, the Americans with Disabilities Act and applicable Environmental Laws, workers' compensation, sanitary, safety, non-discrimination and zoning laws, ordinances, rules and regulations as shall be binding upon the Public University and which might adversely affect its activities or its financial condition.

(f) Furnish to the Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Trustee, as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant to Section 8.01 hereof) hereunder within the knowledge of the Public University, or each event within the knowledge of the Public University which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized Public University Representative setting forth details of such Event of Default or event(s) and the action which the Public University proposes to take with respect thereto.

**SECTION 6.12. Delivery of Documents.** Concurrently with the delivery of this Loan Agreement and the other Loan Documents and the issuance of the 2024 Bonds, the Public University shall cause to be delivered to the Authority each of the following items:

- (i) opinions of Public University Counsel in form and substance satisfactory to the Authority;
- (ii) counterparts of this Loan Agreement duly executed by the parties hereto;
- (iii) copy of authorizing resolutions of the Public University authorizing, *inter alia*, this Loan Agreement, certified by an Authorized Public University Representative;
- (iv) the Loan Documents duly executed by the respective parties thereto;
- (v) a copy of the Indenture, duly executed by the parties thereto;
- (vi) a copy of the Continuing Disclosure Agreement duly executed by the parties thereto; and
- (vii) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and implementation of this Loan Agreement and the other Loan Documents, the financing of the Project and the issuance of the 2024 Bonds.

**SECTION 6.13. Information.** In addition to the information agreed to have been provided to the 2024 Insurer pursuant to Section 13.17 of the Indenture while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds, the Public University agrees, whenever reasonably requested by the Authority, [the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds)] or the Trustee, to provide and certify or cause to be provided and certified such information concerning the Project, the financing of the Project, the Public University and its financial condition, and other topics as the Authority may reasonably request and, further, the Public University assures that the records and accounts of the Public University shall at all reasonable times and upon reasonable notice, be subject to inspection and use of the Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Trustee and their respective agents and attorneys.

**SECTION 6.14. [Reserved].**

**SECTION 6.15. Negative Covenants.** So long as the 2024 Bonds remain Outstanding, the Public University shall not, without the written consent of the Authority and with prior notice to the 2024 Insurer:

(a) With respect to any Item comprising part of the Facilities Project, enter into any management or operating contract that may adversely affect the tax-exempt status of the 2024 Bonds.

(b) Permit any action to occur which would be in direct violation of any and all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or hereinafter enacted, including applicable Environmental Laws, the regulations of the Authority and the regulations of the State Department of Environmental Protection.

The Public University shall use its best efforts to give immediate written notice, in the manner provided in Section 9.11 hereof, to the Authority and the Trustee, of any inquiry, notices of investigation or any similar communication from the State Department of Environmental Protection and the United States Department of Environmental Protection regarding violation of any applicable Environmental Laws.

**SECTION 6.16. Third-Party Beneficiaries.** To the extent this Loan Agreement confers upon or gives or grants to the Bondholders, the 2024 Insurer or the Trustee any right, remedy or claim under or by reason of this Loan Agreement, the Bondholders, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Trustee are hereby explicitly recognized as being third-party beneficiaries hereunder, and may enforce any such right, remedy or claim conferred, given or granted to them hereunder.

**SECTION 6.17. Assignment and Transfer by Authority.** The Public University hereby expressly acknowledges that the Authority's right, title and interest in, to and under this Loan Agreement have been assigned to the Trustee as security for the 2024 Bonds as provided in the Indenture, and that if any Event of Default shall occur, the Trustee or any bond insurer, including the 2024 Insurer, pursuant to the Indenture, shall be entitled to act hereunder and thereunder in the place and stead of the Authority. The Public University hereby acknowledges the requirements of the Indenture applicable to the 2024 Bonds and consents to such assignment and appointment. This Loan Agreement, including, without limitation, the right to receive payments required to be made by the Public University hereunder and to compel or otherwise enforce observance and performance by the Public University of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more successor trustees at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Public University.

The Public University hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the 2024 Bonds.

**SECTION 6.18. 2024 Insurer Provisions.** While the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds, the Public University hereby expressly acknowledges the covenants set forth in Article XIII of the Indenture and shall comply with such covenants, as if such covenants were made herein.]

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## ARTICLE VII

### INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION

**SECTION 7.01. Operation, Maintenance and Repair.** During the Loan Term, the Public University shall be responsible for, and shall pay all costs of, maintaining, preserving and keeping the Items comprising the Facilities Project in good repair, working order and condition and protect the same from deterioration and for making all necessary repairs and replacements thereto in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 7.05 hereof with respect to the Items comprising the Facilities Project. Neither the Authority nor the Trustee shall have any obligation in any of these matters, or for the making of improvements or additions to the Facilities Project.

**SECTION 7.02. Utilities, Taxes and Governmental Charges.** The Public University will pay or cause to be paid any and all charges for the operation and maintenance of the Items comprising the Facilities Project including, but not limited to, as applicable, water, electricity, light, heat or power, sewage, utility service, rendered or supplied upon or in connection with the Items comprising the Facilities Project during the Loan Term.

In addition, the Public University shall (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, State or any municipal government upon the Authority or the Public University with respect to or upon the Items comprising the Facilities Project, or any part thereof, or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Items comprising the Facilities Project; (c) not create or suffer to be created any lien or charge upon the Items comprising the Facilities Project, or any part thereof, or upon the payments in respect thereof pursuant to this Loan Agreement; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Items comprising the Facilities Project, or any part thereof, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder. The Public University shall, to the extent permitted by law, undertake all reasonable action necessary to obtain and preserve the legal exemption of the Items comprising the Facilities Project from the levy of taxes and assessments.

**SECTION 7.03. Additions, Enlargements and Improvements.** The Public University shall, with the prior written notice to the Authority, have the right at any time and from time to time during the Loan Term, at its own cost and expense, to make such enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Items comprising the Facilities Project as the Public University shall deem necessary or desirable in connection with the use of Items comprising the Facilities Project; provided, however, that prior to making any such enlargements, improvements and expansions to, or repairs, reconstruction or restorations of, the Items comprising the Facilities Project, the Public University shall obtain all necessary permits and approvals relating thereto, respectively. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or

restorations shall be promptly paid or discharged so the Items comprising the Facilities Project shall at all times be free of liens for labor and materials supplied thereto.

**SECTION 7.04. Additional Rights of the Public University.** The Authority agrees that the Public University shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such equipment and personality in or upon the Items comprising the Facilities Project as may, in the Public University's judgment, be necessary and advisable for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section 7.04 shall be and remain the personal property of the Public University and shall not become part of the respective Items comprising the Facilities Project, and may be removed, altered or otherwise changed as long as such removal does not cause substantial damage to the respective Items comprising the Facilities Project, upon or before the termination of this Loan Agreement.

**SECTION 7.05. Insurance.** With respect to the Items comprising the Facilities Project, or any portion thereof, as the case may be, the Public University hereby assumes the entire risk of loss thereof from any and every cause whatsoever including, but not limited to, damage to or the destruction of such Items comprising the Facilities Project, or any portion thereof, by fire or any other casualty or the taking of title to or the temporary use of such Items comprising the Facilities Project, or any portion thereof, as the case may be, or the interest of the Public University therein under the exercise of the power of eminent domain by any governmental body *de jure* or *de facto* or by any Person, firm or corporation acting under governmental authority. At its own expense, the Public University shall cause casualty, public liability and all-risk property damage insurance to be carried and continuously maintained, or shall demonstrate (upon request) to the satisfaction of the Authority and the Trustee that adequate self-insurance is provided with respect to the Items comprising the Facilities Project sufficient in the aggregate to cover the full replacement cost of such Items comprising the Facilities Project or to pay the applicable value thereof, and to protect the Authority and the Trustee from liability in all events. Any casualty or property damage insurance policies shall include a standard non-contribution mortgagee clause in favor of and satisfactory to the Trustee and any liability insurance shall be for the benefit of the Trustee and the Authority as named insureds, as their interests may appear. All policies shall require that not less than thirty (30) days written notice of cancellation or material change will be given to the Trustee. The Authority and the Trustee agree to accept allocated value blanket insurance policies, provided however, that any casualty or property damage insurance policies maintained pursuant to this Section 7.05 shall be so written or endorsed as to make losses, if any, with respect to the Items comprising the Facilities Project payable to the Trustee and applied as provided in Sections 7.06 or 7.07 hereof, as applicable. The Public University will provide a copy of a blanket insurance policy or policies to the Authority and the Trustee as evidence of such coverage. If the Public University maintains a program of self-insurance for similar properties, the Public University may insure the Items comprising the Facilities Project in its self-insurance program and provide an adequate insurance fund to pay losses.

The Public University agrees to deliver annually to the Authority and the Trustee not later than December 15 of each year a certificate dated as of December 1 of such year setting forth not less than the following: (i) a schedule of all insurance policies then in effect, including the names of the insurance companies, the risks covered, the periods for which such policies are in effect and the amounts of any coverage and the deductibles, if any; (ii) if certain risks are

covered by self-insurance programs of the Public University, a schedule identifying what risks are so covered; and (iii) a statement that all such insurance policies or self-insurance programs comply with the provisions of this Section 7.05 and are in full force and effect.

The Trustee shall promptly notify the Authority and the Public University if such certificate is not received by December 31 of each year. All insurance policies shall be held by the Public University and shall be open to the inspection of the Trustee and its representatives at all reasonable times, although absent contrary directions from the Authority, no such inspection shall be required of the Trustee. The net Proceeds of the insurance required in this Section 7.05 shall be applied as provided in Sections 7.06 and 7.07 hereof.

**SECTION 7.06. Damage or Destruction.** The Public University agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of any of the Items comprising the Facilities Project (or any portion thereof) resulting from fire or other casualty during the Loan Term. So long as no Event of Default has occurred and is continuing hereunder, the Public University may, with prior written notice to the Authority, repair, reconstruct and restore any of the Items comprising the Facilities Project (or any portion thereof). In such event, the Public University shall proceed forthwith to repair, reconstruct and restore any Items comprising the Facilities Project (or any portion thereof) to substantially the same condition as existed prior to the event causing such damage or destruction. As long as no Event of Default has occurred and is continuing hereunder, any such net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2024 Account in the Project Fund and applied by the Trustee, and used as directed by the Public University, for the payment of the Cost of such repair, reconstruction and restoration, in the same manner and upon the same conditions as set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project. Any Proceeds of insurance remaining following the repair and restoration of any Items comprising the Facilities Project shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture. The Public University shall complete the repair, reconstruction and restoration of any Items comprising the Facilities Project (or any portion thereof), whether or not the Proceeds of insurance received by the Public University are sufficient to pay for the same, if the Public University elects to complete the repair, reconstruction and restoration.

In the event the Public University elects not to repair, reconstruct and restore of any Items comprising the Facilities Project (or any portion thereof) then, in such event, the net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2024 Account in the Debt Service Fund or 2024 Account in the Debt Retirement Fund and applied by the Trustee in accordance with the provisions of the Indenture with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such Proceeds of insurance shall be deposited with the Trustee in the 2024 Account in the Debt Service Fund and shall be applied by the Trustee in accordance with the provisions of Article VII of the Indenture.

**SECTION 7.07. Condemnation.** This Loan Agreement and the interest of the Public University in the Items comprising the Facilities Project (or any portion thereof) which is

condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same.

So long as no Event of Default has occurred and is continuing hereunder, the Public University shall use the net Proceeds of the award made in connection with such condemnation or taking for replacement of any Items comprising the Facilities Project (or such portion thereof) and the Public University shall proceed forthwith to replace any Items comprising the Facilities Project (or such portion thereof) necessary to complete the Facilities Project or the net Proceeds shall be transferred by the Public University to the Trustee for deposit in the 2024 Account in the Project Fund and shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University for the payment of Debt Service on the 2024 Bonds by the transfer of such net Proceeds to the 2024 Account in either the Debt Service Fund or the Debt Retirement Fund, as accordance with the provisions of Section 4.03(b) and (d) of the Indenture, as set forth in a certificate of an Authorized Public University Representative filed with the Trustee at the time of the deposit of the net Proceeds into the 2024 Account in the Project Fund. In the event the Public University elects to replace any Items comprising the Facilities Project (or such portion thereof) as described above, any such net Proceeds shall be deposited in the 2024 Account in the Project Fund for application by the Trustee to pay the Cost of such replacement, in the same manner and upon the same conditions set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project (or such portion thereof). Any Proceeds of an award remaining following replacement of any Items comprising the Facilities Project (or such portion thereof) as provided herein shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture.

If an Event of Default has occurred and is continuing hereunder, the Public University hereby irrevocably assigns to the Authority, all right, title and interest of the Public University in and to the net Proceeds of any award, compensation or taking during the Loan Term. Any such condemnation award shall be deposited with the Trustee in the 2024 Account in the Debt Service Fund and shall be applied by the Trustee in accordance with Section VII of the Indenture.

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## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**SECTION 8.01. Events of Default.** An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Loan Agreement, any one or more of the following events:

- (a) Failure by the Public University to pay or cause to be paid when due the payments required to be paid under Section 5.02(A) hereof;
- (b) Failure by the Public University to pay when due any payments (other than payments under Section 5.02(A) hereof) to be made under this Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee;
- (c) [Reserved];
- (d) Failure by the Public University to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than as referred to in paragraphs (a) and (b) of this Section 8.01), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee, unless the notifying party shall agree, in writing, to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Public University within the applicable period and diligently pursued until the default is remedied; and provided further that the failure of the Public University to comply with the provisions of Section 5.14 hereof or the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder;
- (e) The entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or
- (f) A petition is filed by or against the Public University under any federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Public University such petition shall be dismissed within thirty (30) days after filing and such dismissal shall be final and not subject to appeal; or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public

University's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of paragraph (d) of this Section 8.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the Public University, the Public University is unable, in whole or in part, to carry out its agreements herein contained, the Public University shall not be deemed to be in default during the continuance of such inability. The Public University agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Public University, and the Public University shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the Public University, unfavorable to the Public University.

If any Event of Default described in this Section 8.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 8.02 hereof, and all amounts then due and payable hereunder are paid by the Public University and the Public University also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the Public University to make a payment of the Annual Authority Administrative Fee, if the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VIII shall not be construed as an Event of Default under the Indenture.

#### **SECTION 8.02. Acceleration and Annulment Thereof; Opportunity to Cure Default.**

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, upon written notice to the Public University, declare all amounts payable during the Loan Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Indenture, the 2024 Bonds or this Loan Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the Public University and the Public University also

performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then, and in every such case, the Authority, by written notice to the Public University and the Trustee and subject to the provisions of the Indenture, may annul such declaration and its consequences and the Public University, the Authority and the Trustee shall be restored to their respective former positions and rights under the Indenture; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Loan Agreement shall be fully reinstated as if it had never been accelerated.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Section 8.02, while the 2024 Insurance Policy guarantees the payment of the 2024 Insured Bonds, the maturity of Insured 2024 Bonds shall not be accelerated without the consent of the 2024 Insurer and in the event the maturity of the Insured 2024 Bonds is accelerated, the 2024 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Authority) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the 2024 Insurer's obligations under the 2024 Insurance Policy with respect to such Insured 2024 Bonds shall be fully discharged.

#### **SECTION 8.03. Reserved.**

**SECTION 8.04. Remedies.** Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the Public University's obligations hereunder. In addition to the other remedies provided in this Loan Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the Public University of any of the covenants, conditions or provisions of this Loan Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the Public University, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon written demand, the Public University shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 8.04 and all such expenses shall be secured by this Loan Agreement.

**SECTION 8.05. Cumulative Rights; No Implied Waiver.** No remedy conferred upon or reserved to the Authority, the 2024 Insurer or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority, the 2024 Insurer or the Trustee of any breach by the Public University of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof.

but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**SECTION 8.06. No Duty to Mitigate Damages.** The Authority, the 2024 Insurer and the Trustee shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate damages if an Event of Default shall occur hereunder.

**SECTION 8.07. Employment of Attorneys.** If the Authority and the Trustee, in accordance with the terms of the Indenture or this Loan Agreement so long as same remains in full force and effect, or as reasonably determined by said party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the Public University herein contained, the Public University shall, on demand thereof, pay to the Authority or the Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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## ARTICLE IX

### MISCELLANEOUS

**SECTION 9.01. Successors and Assigns.** This Loan Agreement shall inure to the benefit of the Public University, the Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the 2024 Insured Bonds) and the Trustee and their respective successors and assigns and shall be binding upon the Public University, the Authority, the 2024 Insurer (while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds) and the Trustee and their respective successors and assigns.

**SECTION 9.02. Amendments, Changes and Modifications.** This Loan Agreement shall not be amended or modified in any manner without the written consent of the Authority and the Public University and in accordance with the Section 6.15 of the Indenture; provided however, the procedures set forth in the Indenture do not have to be complied with prior to the issuance of the 2024 Bonds.

In addition to the foregoing, while the 2024 Insurance Policy guarantees the payment of the 2024 Insured Bonds, any amendment, supplement, modification to, or waiver of this Loan Agreement or any other Related Document that requires the consent of Bondholders or adversely affects the rights and interests of the 2024 Insurer shall be subject to the prior written consent of the 2024 Insurer. The 2024 Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Loan Agreement or any other Related Document.

**SECTION 9.03. Amounts Remaining Under Indenture.** Upon expiration of the Loan Term, it is agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Indenture for the benefit of the 2024 Bonds, after payment in full of the 2024 Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the unpaid or unreimbursed fees, charges and expenses of the Trustee, the Paying Agent, the 2024 Insurer and the Authority (including Authority Administrative Expenses) in accordance with the Indenture and this Loan Agreement, shall belong to and be paid to the Public University pursuant to Section 4.17 of the Indenture. Notwithstanding the above, if the 2024 Bonds shall have been defeased in accordance with Section 11.01 and Section 11.02 of the Indenture, unclaimed funds remaining under the Indenture for the benefit of the 2024 Bonds pursuant to Section 11.02 thereof shall be released to the Public University free and clear of the lien and pledge of the Indenture.

**SECTION 9.04. Counterparts.** This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 9.05. Headings.** The Article and Section headings in this Loan Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

**SECTION 9.06. Non-Waiver.** It is understood and agreed that nothing contained in this Loan Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Loan Agreement.

**SECTION 9.07. Survival of This Loan Agreement.** Notwithstanding anything else to the contrary herein, the provisions of Sections 2.01(M), 5.08 and 6.10 hereof shall survive the expiration of the Loan Term and the final maturity of the 2024 Bonds.

**SECTION 9.08. Assignment.** This Loan Agreement may not be assigned by the Public University except as provided in Section 6.05 hereof.

**SECTION 9.09. Severability.** Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

**SECTION 9.10. Applicable Law.** This Loan Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

**SECTION 9.11. Notices.** All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Loan Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party:

To the Authority at:

The Gloucester County Improvement Authority  
c/o Acting Executive Director  
109 Budd Boulevard  
Woodbury, New Jersey 08096

To the Public University at:

Rowan University  
201 Mullica Hill Road  
Glassboro, New Jersey 08028-1701  
Attention: Senior Vice President for Finance and Chief Financial Officer

To the Trustee at:

TD Bank, National Association  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054  
Attention: Corporate Trust Services

To the 2024 Insurer at:

Build America Mutual Assurance Company  
200 Liberty Street, 27<sup>th</sup> Floor  
New York, New York 10281  
Attention: Surveillance, Re: Policy No. 2024B0168

or to such other representatives or addresses as the Authority, the Public University, the Trustee or the 2024 Insurer may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel to the 2024 Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

**SECTION 9.12. Rights Granted to 2024 Insurer.** The rights granted to the 2024 Insurer under this Loan Agreement or any other Related Document to request, consent to or direct any action are rights granted to the 2024 Insurer in consideration of its issuance of the 2024 Insurance Policy; provided that such rights shall only exist while the 2024 Insurance Policy guarantees the payment of the Insured 2024 Bonds. Any exercise by the 2024 Insurer of such rights is merely an exercise of the 2024 Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the 2024 Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the 2024 Insurer.

The 2024 Insurer shall, to the extent it makes any payment of principal or of interest on the Insured 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the 2024 Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any insolvency proceeding related to the Public University). Each obligation of the Authority and the Public University to the 2024 Insurer under the Related Documents shall survive discharge or termination of such Related Documents.]

IN WITNESS WHEREOF, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the Public University has caused this instrument to be executed in its name by its Vice President for Finance/Chief Financial Officer, and its official seal to be hereunto affixed, all as of the day and year first above written.

**THE GLOUCESTER COUNTY  
IMPROVEMENT AUTHORITY**

**PAUL W. LENKOWSKI, Secretary**

**By: CHARLES FENTRESS, Chairman**

**(SEAL)**

**ROWAN UNIVERSITY**

**By: JOSEPH F. SCULLY, JR.,  
Senior Vice President for Finance and  
Chief Financial Officer**

**EXHIBIT A**

**LOAN PAYMENT SCHEDULE**

| Loan Payment Date | Bond Payment Date | Principal Portion of Basic Loan Payment | Interest Portion of Basic Loan Payment | Total Basic Loan Payment | Annual Loan Payment |
|-------------------|-------------------|---|--|--------------------------|---------------------|
| 6/1/2024          | 7/1/2024          | -                                       | \$2,835,229.17                         | \$2,835,229.17           | \$2,835,229.17      |
| 12/1/2024         | 1/1/2025          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2025          | 7/1/2025          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2025         | 1/1/2026          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2026          | 7/1/2026          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2026         | 1/1/2027          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2027          | 7/1/2027          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2027         | 1/1/2028          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2028          | 7/1/2028          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2028         | 1/1/2029          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2029          | 7/1/2029          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2029         | 1/1/2030          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2030          | 7/1/2030          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2030         | 1/1/2031          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2031          | 7/1/2031          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2031         | 1/1/2032          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2032          | 7/1/2032          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2032         | 1/1/2033          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2033          | 7/1/2033          | -                                       | 4,183,125.00                           | 4,183,125.00             | 8,366,250.00        |
| 12/1/2033         | 1/1/2034          | 4,183,125.00                            | 4,183,125.00                           |                          |                     |
| 6/1/2034          | 7/1/2034          | \$3,500,000.00                          | 4,183,125.00                           | 7,683,125.00             | 11,866,250.00       |
| 12/1/2034         | 1/1/2035          | -                                       | 4,095,625.00                           | 4,095,625.00             |                     |
| 6/1/2035          | 7/1/2035          | 4,955,000.00                            | 4,095,625.00                           | 9,050,625.00             | 13,146,250.00       |
| 12/1/2035         | 1/1/2036          | -                                       | 3,971,750.00                           | 3,971,750.00             |                     |
| 6/1/2036          | 7/1/2036          | 5,200,000.00                            | 3,971,750.00                           | 9,171,750.00             | 13,143,500.00       |
| 12/1/2036         | 1/1/2037          | -                                       | 3,841,750.00                           | 3,841,750.00             |                     |
| 6/1/2037          | 7/1/2037          | 5,465,000.00                            | 3,841,750.00                           | 9,306,750.00             | 13,148,500.00       |
| 12/1/2037         | 1/1/2038          | -                                       | 3,705,125.00                           | 3,705,125.00             |                     |
| 6/1/2038          | 7/1/2038          | 5,735,000.00                            | 3,705,125.00                           | 9,440,125.00             | 13,145,250.00       |
| 12/1/2038         | 1/1/2039          | -                                       | 3,561,750.00                           | 3,561,750.00             |                     |
| 6/1/2039          | 7/1/2039          | 6,020,000.00                            | 3,561,750.00                           | 9,581,750.00             | 13,143,500.00       |
| 12/1/2039         | 1/1/2040          | -                                       | 3,411,250.00                           | 3,411,250.00             |                     |
| 6/1/2040          | 7/1/2040          | 6,325,000.00                            | 3,411,250.00                           | 9,736,250.00             | 13,147,500.00       |
| 12/1/2040         | 1/1/2041          | -                                       | 3,253,125.00                           | 3,253,125.00             |                     |
| 6/1/2041          | 7/1/2041          | 6,640,000.00                            | 3,253,125.00                           | 9,893,125.00             | 13,146,250.00       |
| 12/1/2041         | 1/1/2042          | -                                       | 3,087,125.00                           | 3,087,125.00             |                     |
| 6/1/2042          | 7/1/2042          | 6,970,000.00                            | 3,087,125.00                           | 10,057,125.00            | 13,144,250.00       |
| 12/1/2042         | 1/1/2043          | -                                       | 2,912,875.00                           | 2,912,875.00             |                     |
| 6/1/2043          | 7/1/2043          | 7,320,000.00                            | 2,912,875.00                           | 10,232,875.00            | 13,145,750.00       |
| 12/1/2043         | 1/1/2044          | -                                       | 2,729,875.00                           | 2,729,875.00             |                     |
| 6/1/2044          | 7/1/2044          | 7,685,000.00                            | 2,729,875.00                           | 10,414,875.00            | 13,144,750.00       |
| 12/1/2044         | 1/1/2045          | -                                       | 2,537,750.00                           | 2,537,750.00             |                     |
| 6/1/2045          | 7/1/2045          | 8,070,000.00                            | 2,537,750.00                           | 10,607,750.00            | 13,145,500.00       |
| 12/1/2045         | 1/1/2046          | -                                       | 2,336,000.00                           | 2,336,000.00             |                     |
| 6/1/2046          | 7/1/2046          | 8,475,000.00                            | 2,336,000.00                           | 10,811,000.00            | 13,147,000.00       |

[Signature Page to the Loan and Security Agreement]

|           |          |                  |                  |                  |                  |
|-----------|----------|------------------|------------------|------------------|------------------|
| 12/1/2046 | 1/1/2047 | -                | 2,124,125.00     | 2,124,125.00     |                  |
| 6/1/2047  | 7/1/2047 | 8,900,000.00     | 2,124,125.00     | 11,024,125.00    | 13,148,250.00    |
| 12/1/2047 | 1/1/2048 | -                | 1,901,625.00     | 1,901,625.00     |                  |
| 6/1/2048  | 7/1/2048 | 9,340,000.00     | 1,901,625.00     | 11,241,625.00    | 13,143,250.00    |
| 12/1/2048 | 1/1/2049 | -                | 1,668,125.00     | 1,668,125.00     |                  |
| 6/1/2049  | 7/1/2049 | 9,810,000.00     | 1,668,125.00     | 11,478,125.00    | 13,146,250.00    |
| 12/1/2049 | 1/1/2050 | -                | 1,422,875.00     | 1,422,875.00     |                  |
| 6/1/2050  | 7/1/2050 | 10,300,000.00    | 1,422,875.00     | 11,722,875.00    | 13,145,750.00    |
| 12/1/2050 | 1/1/2051 | -                | 1,165,375.00     | 1,165,375.00     |                  |
| 6/1/2051  | 7/1/2051 | 10,815,000.00    | 1,165,375.00     | 11,980,375.00    | 13,145,750.00    |
| 12/1/2051 | 1/1/2052 | -                | 895,000.00       | 895,000.00       |                  |
| 6/1/2052  | 7/1/2052 | 11,355,000.00    | 895,000.00       | 12,250,000.00    | 13,145,000.00    |
| 12/1/2052 | 1/1/2053 | -                | 611,125.00       | 611,125.00       |                  |
| 6/1/2053  | 7/1/2053 | 11,925,000.00    | 611,125.00       | 12,536,125.00    | 13,147,250.00    |
| 12/1/2053 | 1/1/2054 | -                | 313,000.00       | 313,000.00       |                  |
| 6/1/2054  | 7/1/2054 | 12,520,000.00    | 313,000.00       | 12,833,000.00    | 13,146,000.00    |
| Total:    |          | \$167,325,000.00 | \$185,588,229.17 | \$352,913,229.17 | \$352,913,229.17 |

**EXHIBIT B**

**FORM OF REQUISITION FOR PAYMENT**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

**LOAN REVENUE BONDS  
(ROWAN UNIVERSITY PROJECTS) SERIES 2024**

**REQUISITION REF. NO. 20-\_\_\_\_\_**

I, the undersigned \_\_\_\_\_ [INSERT TITLE] of Rowan University ("Public University") DO HEREBY CERTIFY that I am an Authorized Public University Representative duly designated by the Public University to execute and deliver this certificate on behalf of the Public University. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of a Loan and Security Agreement by and between The Gloucester County Improvement Authority ("Authority") and the Public University, dated as of February 1, 2024 ("Loan Agreement"), as follows:

1. This requisition is Requisition No. 20-\_\_\_\_\_ and is to be paid in connection with the portion of the Facilities Project described below:

Facilities Project Item Description:

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2. Payment is to be made from the 2024 Account in the Project Fund.

3. The name and address of the Person, firm or corporation to whom payment is due is:

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[If such payment is to be made to the Public University for a reimbursable advance, insert the name and address of the Person, firm or corporation to whom such advance was made together with proof of payment by the Public University.]

4. The amount to be paid to such Person, firm or corporation named in Paragraph 3 above is \$\_\_\_\_\_.

[Attach description and invoice or billing reference.]

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5. Each obligation, item of Cost or expense mentioned herein has been properly incurred, is a proper charge against the 2024 Account in the Project Fund, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and has not been the basis of any previously paid withdrawal or requisition.

6. The applicable State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

7. If such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, such amount mentioned herein to be paid does not exceed the actual cost thereof to the Public University. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

8. No uncured Event of Default has occurred under the Loan Agreement or the Indenture (as defined in the Loan Agreement) and everything required to be performed by the Public University has been performed.

9. The Public University has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons, firms or corporations named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

10. In the event there are not sufficient funds available to pay the amounts requested under this Requisition from the maturity of any Investment Securities, the Public University hereby instructs that the following Investment Security or Securities should be liquidated for the payment thereof: \_\_\_\_\_ [STRIKE OUT IF NOT APPLICABLE].

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DATED:** \_\_\_\_\_

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**EXHIBIT C**

**FORM OF COMPLETION CERTIFICATE**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

**COUNTY GUARANTEED LOAN REVENUE BONDS  
(ROWAN UNIVERSITY PROJECTS), SERIES 2024**

The Gloucester County Improvement Authority  
109 Budd Boulevard  
Woodbury, New Jersey 08096

TD Bank, National Association, as Trustee  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054

Pursuant to Section 4.05 of the Loan and Security Agreement by and between the Authority and the Rowan University, dated as of February 1, 2024 ("Loan Agreement"), the undersigned, an Authorized Public University Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

- (i) the Facilities Project described below were completed or were substantially completed as of \_\_\_\_\_, 20\_\_\_\_;

Facilities Project Item Description:

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- (ii) as of such date referenced in clause (i) above, except for amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project not now due and payable or, if due and payable, not presently paid, the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid, or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project or any portion thereof not then due or payable, or if due and payable, not then paid;
- (iii) the Public University has paid the amount of \$ \_\_\_\_\_ toward the Costs of the Facilities Project;
- (iv) the Facilities Project are being operated and maintained as an authorized "public facility" under the Act; and
- (v) all permits, including a Certificate of Occupancy, if required or necessary for the utilization of the Facilities Project, have been obtained and are in effect.

Any amount hereafter remaining in the 2024 Account in the Project Fund (except amounts therein sufficient to cover Costs of the Facilities Project not now due and payable or not presently paid and except for interest or other income earned from the investment of the moneys held in the 2024 Account in the Project Fund, if any) shall be transferred by the Trustee and shall be applied by the Trustee in accordance with Sections 4.05 and 4.09 of the Loan Agreement and Section 4.03(d) of the Indenture and shall not be invested at a yield materially higher than the yield on the 2024 Bonds as provided in the Indenture.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
Authorized Public University Representative

Dated: \_\_\_\_\_, 20\_\_\_\_

**EXHIBIT D**

**CERTIFICATE AS TO AUTHORIZED  
PUBLIC UNIVERSITY REPRESENTATIVE**

I, JOSEPH F. SCULLY, JR., the duly appointed and acting Senior Vice President for Finance and Chief Financial Officer of Rowan University ("Public University") DO HEREBY CERTIFY that I am duly authorized under the Loan Agreement (as hereinafter defined) to execute and deliver this certificate on behalf of the Public University. I DO HEREBY FURTHER CERTIFY as follows:

1. The following individual(s) have each been designated as an Authorized Public University Representative in accordance with the provisions of the Loan Agreement and each is duly qualified, empowered and authorized so to act on behalf of the Public University and to deliver documents on behalf of the Public University.

|       |           |
|-------|-----------|
| Name  | Signature |
| _____ | _____     |
| _____ | _____     |

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in a Loan and Security Agreement, dated as of February 1, 2024, by and between The Gloucester County Improvement Authority and the Public University ("Loan Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of February, 2024.

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
**JOSEPH F. SCULLY, JR., Senior Vice  
President for Finance and  
Chief Financial Officer**

**EXHIBIT E**  
**TRUSTEE INFORMATION**

The name/address/phone number of the Trustee is:

TD Bank, National Association  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054  
Attention: Corporate Trust Services  
Catherine M. Alessi, Vice President

Phone number: (856) 685-5105  
Fax number: (856) 533-7136

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**APPENDIX C-2**  
**FORMS OF NOTE INDENTURE AND NOTE LOAN**  
**AGREEMENT**

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between  
THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY  
and  
TD BANK, NATIONAL ASSOCIATION  
as Trustee

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Dated as of April 1, 2021

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Relating to

\$24,500,000  
The Gloucester County Improvement Authority  
Loan Revenue Notes  
(Rowan University Student Center Project), Series 2021

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**EXHIBIT "A": FORM OF 2021 NOTE**

## **TRUST INDENTURE**

This **TRUST INDENTURE** ("Indenture"), dated as of April 1, 2021, between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey ("Authority"), and **TD BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trustee").

### **WITNESSETH:**

**WHEREAS**, the Authority has been duly created by a resolution of the Board of Chosen Freeholders of the County of Gloucester, New Jersey ("County"), as a public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State"), and the acts amendatory thereof and supplemental thereto (*N.J.S.A. 40:37A-44 et seq.*) ("Act"); and

**WHEREAS**, Rowan University ("Rowan" or "Public University") is a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* ("Rowan Act"), with its main campus located in the Borough of Glassboro in the County; and

**WHEREAS**, Rowan has heretofore established a comprehensive facilities and operations master plan, which master plan is periodically updated to reflect the needs for the continued growth of Rowan and the upkeep of Rowan facilities (as updated, the "Master Plan"); and

**WHEREAS**, in connection with the implementation of the Master Plan, Rowan has established its commitment to, among other things, the continued development and upkeep of its educational and/or non-educational facilities within the County; and

**WHEREAS**, in furtherance of its Master Plan, Rowan has determined to construct an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto, all as more particularly described in Exhibit "F" to the hereinafter defined Loan Agreement ("Facilities Project"); and

**WHEREAS**, the Authority is authorized, pursuant to the Act, to provide financing for the provision of "public facilities" (as defined in the Act), which include the Facilities Project, for use by the State of New Jersey ("State"), the County or any beneficiary county, or any municipality in any such county, or any two or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including Rowan, for their respective governmental purposes; and

**WHEREAS**, pursuant to *N.J.S.A. 40:37A-55*, the Authority is authorized to extend credit or make loans to any governmental unit or person, including Rowan, for the planning, design,

acquisition, construction, equipping and furnishing of all or a part of a "public facility" (as defined in the act), upon the terms and conditions that the loans be secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for the purpose by the authority, and upon such other terms and conditions as the authority shall deem reasonable; and

**WHEREAS**, pursuant to *N.J.S.A. 40:37A-45(p)*, the Facilities Project acquired, owned or constructed by Rowan constitutes a "public facility" within the meaning of the Act and, as such, the Authority is authorized to provide financial assistance to Rowan for the purpose of financing the costs of the same; and

**WHEREAS**, the Authority is also authorized by law to plan, design, acquire, construct, equip and furnish public facilities, including the Facilities Project, on behalf of certain governmental units, including Rowan, and to lease, sell or otherwise convey said Public Facilities to such governmental units; and

**WHEREAS**, in connection with the determination of Rowan to continue its development of facilities in the County, including the Facilities Project, the Authority has offered to provide project development and support to Rowan with respect to the acquisition, development, construction, installation, renovation and equipping of the Facilities Project; and

**WHEREAS**, Rowan has determined that Authority possesses the skill and expertise necessary to manage the development, construction, installation, renovation, equipping and financing of large scale projects, including the Facilities Project, in a timely and cost-effective manner; and

**WHEREAS**, the Authority has preliminarily authorized, *inter alia*, the issuance of, in one or more series, on a tax-exempt or taxable basis, of its Loan Revenue Notes (Rowan University Student Center Project), Series 2021, in the aggregate principal amount not to exceed \$30,000,000 ("2021 Notes") to finance: (i) the cost of the Facilities Project; (ii) capitalized interest on the 2021 Notes, if any; and (iii) the costs and expenses of issuance incurred by the Authority and Rowan in connection with the issuance and sale of the 2021 Notes (collectively, the "Project"); and

**WHEREAS**, the Authority has applied to the Local Finance Board of the State Department of Community Affairs, Division of Local Government Services ("Local Finance Board"), pursuant to *N.J.S.A. 40A:5A-6*, for positive findings for the undertaking and completion of the Facilities Project and the issuance of the 2021 Notes to finance the costs thereof and has received the requisite positive findings and approval from the Local Finance Board on February 10, 2021; and

**WHEREAS**, subsequent to the approval provided by the Local Finance Board, the Authority has, pursuant to a Bond Resolution adopted on February 18, 2021 ("Bond Resolution"), authorized, *inter alia*, the issuance of the 2021 Notes to finance the Project; and

**WHEREAS**, the 2021 Notes will be payable from certain loan payments ("Loan Payments") to be received from Rowan pursuant to and in accordance with the terms and conditions set forth in a Loan and Security Agreement, dated as of April 1, 2021 ("Loan

Agreement"), between the Authority and Rowan, which Loan Payments shall constitute general corporate obligations of Rowan; and

**WHEREAS**, pursuant to the terms of the Loan Agreement, the Public University is required to make the Loan Payments (as defined herein) to the Authority on each Loan Payment Date (as defined herein) in an amount equal to the debt service on the 2021 Notes due on the immediately succeeding Interest Payment Date (as defined herein) or the Maturity Date (as defined herein), as the case may be; and

**WHEREAS**, the Authority will issue the 2021 Notes pursuant to the Act, the Bond Resolution and this Indenture; and

**WHEREAS**, the Board of Trustees of Rowan, pursuant to and in accordance with the terms of the Rowan Act, has adopted a resolution consenting to the financing of the Project through the execution of the Loan Agreement, the issuance of the 2021 Notes and the execution and delivery of this Indenture; and

**WHEREAS**, the 2021 Notes shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property (as defined herein), including: (i) the Revenues (as defined herein) received from the Public University; (ii) the Funds and Accounts (as each term is defined herein) established hereunder (other than the Rebate Fund), including Investment Securities (as defined herein) held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the 2021 Notes in accordance with the terms and provisions of this Indenture; and

**WHEREAS**, all things necessary to make the 2021 Notes, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the 2021 Notes, subject to the terms hereof, have in all respects been duly authorized.

**NOW, THEREFORE**, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Notes (as defined herein) by the Owners (as defined herein) thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Notes issued and Outstanding (as defined herein) under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Notes contained, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the Pledged Property, including any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

**TO HAVE AND TO HOLD**, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future holders of the Notes, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one note over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

**PROVIDED, NEVERTHELESS**, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Notes with interest, according to the provisions set forth in the Notes or shall provide for the payment or redemption of such Notes by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

**NOW, THEREFORE**, it is hereby expressly declared, covenant and agreed by and between the parties hereto, that all Notes issued and secured hereunder are to be issued, authenticated and delivered and that all the Pledged Property is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Notes, as their interests may appear, as follows:

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## ARTICLE I

### DEFINITIONS, RULES OF CONSTRUCTION

**Section 1.01 Definitions of Words and Terms.** In addition to words and terms elsewhere defined herein, the following words and terms as used in this Indenture and in the Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

**"Account"** or **"Accounts"** shall mean, as the case may be, each or all of the Accounts established and created under Article IV of this Indenture.

**"Accountant's Certificate"** shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent certified public accountants of recognized standing, selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

**"Act"** means the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto *N.J.S.A. 40:37A-1 et seq.*).

**"Additional Loan Payments"** shall mean any and all amounts payable by the Public University to the Authority pursuant to the Loan Agreement including, but not limited to, Section 5.02(B) of the Loan Agreement, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Indenture and the Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby.

**"Additional Notes"** shall mean the Notes, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 hereof, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to this Indenture.

**"Annual Authority Administrative Fee"** shall mean the annual fee for the general administrative expenses of the Authority for the Notes as set forth in the Loan Agreement.

**"Article"** shall mean a specified Article hereof, unless otherwise indicated.

**"Authority"** shall have the meaning set forth in the Recitals to this Indenture.

**"Authority Administrative Expenses"** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Indenture and the Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Notes, the financing of the Project or the compelling of the full and punctual performance of this Indenture and the Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Indenture and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

**"Authorized Authority Representative"** shall mean the Chair, Vice Chair, Executive Director, Secretary and any Assistant Secretary, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document or serving in an interim or acting capacity.

**"Authorized Denominations"** shall mean: (i) with respect to the 2021 Notes, \$100,000 or any integral multiple of \$5,000; and (ii) and series of Additional Notes, an amount as shall be set forth in a Supplemental Indenture.

**"Authorized Public University Representative"** shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

**"Bond Counsel"** shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

**"Bond Register"** means the registration books of the Authority kept by the Trustee to evidence the registration and transfer of the Notes.

**"Bond Registrar"** means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Indenture.

**"Bond Resolution"** shall have the meaning ascribed in the Recitals to this Indenture

**"Bond Year"** shall mean, with respect to the 2021 Notes, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the 2021 Notes or the date that is five (5) years after the Issue Date in the case of the 2021 Notes, Bond Years

shall end on each anniversary of the Issue Date and on the final maturity date of the 2021 Notes. For each Series of Additional Notes, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Additional Notes is issued.

**"Business Day"** means a day other than a day: (i) on which banks located in the City of New York, New York, the State of New Jersey or the city in which the Principal Office of the Trustee is located, is required or authorized by law or executive order to close; and (ii) on which the New York Stock Exchange is not closed.

**"Cede & Co."** means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

**"Completion Certificate"** shall mean the certificate described in Section 4.05 of the Loan Agreement, executed by the Public University, wherein, with respect to the Facilities Project, the Public University certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 4.03(d) hereof.

**"Completion Date"** shall mean the date of completion of the Facilities Project as stated in the Public University's Completion Certificate described in Section 4.05 of the Loan Agreement.

**"Continuing Disclosure Agreement"** shall have the meaning set forth in Section 6.20 of this Indenture.

**"Cost"** or **"Costs"** shall mean and shall be deemed to include, with respect to the Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of the Facilities Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the Facilities Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to this Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Notes, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, escrow agent fees, verification agent fees, escrow security fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Notes, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the Public University or the Authority shall be required to pay under the terms of any contract or contracts for the completion of the Facilities Project or the acquisition, construction, equipping and furnishing of the Facilities

Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the Facilities Project; (iv) deposits in any Fund or Account under this Indenture, all as shall be provided in this Indenture; and (v) such other expenses not specified herein or in the Loan Agreement as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the Facilities Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and the Loan Agreement.

**"Debt Retirement Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of this Indenture.

**"Debt Service"** for any period shall mean, as of any date of calculation, with respect to a particular Series of Notes, including the 2021 Notes, an amount equal to: (i) in each period up to and including the final Interest Payment Date prior to the Maturity Date, the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund; and (ii) in the final period ending on the Maturity Date, (a) the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund, and (b) the principal amount of such Series of Notes. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"Debt Service Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of this Indenture.

**"Debt Service Requirement"** with respect to the next Interest Payment Date, including the Maturity Date, for any Series of Notes shall mean: (i) in the case of an Interest Payment Date, other than the Maturity Date, interest accrued and unpaid and to accrue to such date; and (ii) in the case of the Maturity Date, interest accrued and unpaid and to accrue to such date, if any, plus the principal amount of the Notes due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"DTC"** shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Notes authorized as book-entry Notes.

**"Event of Default"** shall have the meaning given to such term in Section 7.01 hereof.

**"Facilities Project"** shall mean the construction an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto, all as more particularly described in Exhibit "F" to the Loan Agreement.

**"Favorable Opinion of Bond Counsel"** shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Indenture, any Supplemental Indenture, the Loan Agreement, any amendment or supplement to the Loan Agreement, and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

**"Fiduciary"** or **"Fiduciaries"** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

**"Fiscal Year"** shall mean the respective twelve (12) month fiscal periods of the Public University or the Authority, as applicable.

**"Fitch"** shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Fund"** or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of this Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

**"GASB"** means those accounting principles applicable in the preparation of financial statements of institutions of higher learning, as promulgated by the Governmental Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

**"Government Obligations"** shall mean:

(a) direct obligations of, or obligations and the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America;

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in clause (a) above issued or held in book-entry form in the name of the Trustee only on the books of the Department of Treasury of the United States of America);

(c) any certificates or any other evidence of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian;

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of

1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA; and

(e) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that cash obligations described in clauses (a), (b), (c) or (d) above, or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or purchase, such obligations are rated AAA by Fitch, Aaa by Moody's or AAA by S&P.

**"Indenture"** shall mean this Trust Indenture, dated as of April 1, 2021, between the Authority and the Trustee, as amended, modified and supplemented in accordance with the provisions hereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2021 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$30,625, in connection with the sale and award of the 2021 Notes; and (ii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Notes or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Additional Notes.

**"Interest Payment Date"** shall mean: (i) with respect to the 2021 Notes, each March 1 and September 1 of each year, commencing September 1, 2021 up to and including the Maturity Date; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Additional Notes. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Investment Securities"** shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically N.J.S.A. 40A:5-14 (legal depositories for public moneys) and N.J.S.A. 40A:5-15.1 (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

(a) As of the date of adoption of this Indenture, the following investments are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to N.J.S.A. 40A:5-14:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days

from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the State Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c. 281 (*N.J.S.A. 52:18A-90.4*); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(A) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection a. hereof;

(B) the custody of collateral is transferred to a third party;

(C) the maturity of the agreement is not more than thirty (30) days;

(D) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c. 236 (*N.J.S.A. 17:9-41*); and

(E) a master repurchase agreement providing for the custody and security of collateral is executed.

(b) Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

(c) Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

(d) Any investments not purchased and redeemed from the issuer, government money market mutual fund, local government investment pool or the State Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c. 93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer

who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

(e) For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(A) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940", 15 *U.S.C. 80a-1 et seq.*, and operated in accordance with 17 *C.F.R. §270.2a-7*;

(B) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R. §270.2a-7* and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. hereof; and

(C) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(A) which is managed in accordance with 17 *C.F.R. §270.2a-7*;

(B) which is rated in the highest category by a nationally recognized statistical rating organization;

(C) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R. §270.2a-7* and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a. hereof;

(D) which is in compliance with rules adopted pursuant to the "Administrative Procedure Act", P.L. 1968, c. 410 (*N.J.S.A. 52:14B-1 et seq.*) by the Local Finance Board, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

(E) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and

(F) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years

pursuant to Section 9 of P.L. 1967, c. 93 (N.J.S.A. 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

(f) Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c. 198 (N.J.S.A. 40A:11-1 *et seq.*).

**"Issue Date"** shall mean, with respect to: (i) the 2021 Notes, April 7, 2021; and (ii) any Series of Additional Notes, the date on which the Trustee authenticates the Series of Additional Notes and on which such Series of Additional Notes is delivered to the purchasers thereof upon original issuance.

**"Loan"** shall mean the loan made by the Authority to the Public University in the aggregate principal amount of \$24,500,000 to finance the aggregate Costs of the Project under the terms and conditions set forth in the Loan Agreement.

**"Loan Agreement"** shall mean the Loan and Security Agreement, dated as of April 1, 2021, by and between the Authority and the Public University, together with any supplements and amendments thereto, relating to the Project to be financed with the proceeds of the Loan.

**"Loan Documents"** shall mean, collectively, the Loan Agreement, the Continuing Disclosure Agreement, this Indenture and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

**"Loan Payment"** shall mean the sum of money representing principal and interest necessary to amortize Debt Service on the 2021 Notes payable by the Public University on each Loan Payment Date, as set forth in Exhibit "A" to the Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the 2021 Notes pursuant to Article III of this Indenture and, as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

**"Loan Payment Date"** shall mean: (i) with respect to the 2021 Notes, thirty (30) days prior to the applicable Interest Payment Date or Maturity Date, as the case may be; and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

**"Loan Term"** shall mean the period during which the Loan Agreement is in effect as specified in Section 5.01 of the Loan Agreement.

**"Maturity Date"** shall mean: (i) with respect to the 2021 Notes, March 1, 2024, on which the principal amount of the 2021 Notes shall be due and payable by the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing a Series of Additional Notes on which the principal amount of such Series of Notes shall be due and payable. In the event

Maturity Date is not a Business Day, all amounts due on such Maturity Date shall be paid on the next succeeding Business Day.

**"Month"** shall mean a calendar month.

**"Moody's"** shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Note"** or **"Notes"** shall mean the 2021 Notes issued pursuant to Sections 2.01, 2.02 and 2.03 of this Indenture to provide funds to finance the Project, together with Additional Notes, if any, issued pursuant to Section 2.05 of this Indenture.

**"Noteowner", "Noteholder", "Holder", "Owner" or "Registered Owner"** means the Person in whose name a Note is registered on the Bond Register.

**"Obligations"** shall have the meaning assigned to that term in Section 12.06(a) hereof.

**"Official Statement"** means the Official Statement of the Authority, dated March 24, 2021, prepared in connection with the offering and sale of the 2021 Notes.

**"Operating Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of this Indenture.

**"Opinion of Counsel"** means an opinion in writing signed by legal counsel acceptable to the Public University and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the Public University.

**"Outstanding"** means, when used with reference to Notes, as of a particular date, all Notes theretofore authenticated and delivered, except: (a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12 hereof; (b) Notes which are deemed to have been paid in accordance with Article XI hereof; and (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to Article II hereof.

**"Paying Agent" or "Paying Agents"** shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Notes, and its successors and assigns and its successor or successors appointed in the manner provided in this Indenture.

**"Person" or "Persons"** shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

**"Pledged Property"** shall mean: (i) the Revenues; (ii) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Notes in accordance with the terms and provisions of this Indenture.

**"Prepayment"** shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 of the Loan Agreement.

**"Prime Rate"** means the rate from time to time publicly announced by the Trustee's primary commercial banking affiliate as its "prime rate" or "base rate."

**"Principal Office"** means, with respect to any entity performing functions under any Loan Document, the office of that entity or its affiliate at which those functions are performed.

**"Proceeds"** shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the Facilities Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the Public University elects to provide self-insurance under Section 7.05 of the Loan Agreement, any moneys payable from any self-insurance fund of the Public University which may lawfully be expended for the purposes for which such self-insurance is provided.

**"Proceeds Fund"** shall mean the Fund so designated, established and created pursuant to Section 4.02(d) of this Indenture.

**"Project"** shall mean, collectively: (i) the Costs of the Facilities Project; (ii) capitalized interest on the 2021 Notes, if any; and (iii) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2021 Notes.

**"Project Fund"** shall mean the Fund so designated, established and created pursuant to Section 4.02(a) of this Indenture.

**"Public University"** means the public institution for higher education authorized and created pursuant to State law, the name of which is Rowan University, located primarily in Glassboro, New Jersey.

**"Public University Board"** means the Board of Trustees of the Public University, as the governing body vested with the power of management of the Public University, or a duly authorized committee thereof.

**"Rebate Fund"** shall mean the Fund so designated, established and created pursuant to Section 4.02(g) of this Indenture.

**"Record Date"** shall mean: (i) with respect to the 2021 Notes, the fifteenth day of the calendar month immediately preceding any Interest Payment Date or the Maturity Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

**"Redemption Price"** shall mean, with respect to any Note, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Note or this Indenture or the applicable Supplemental Indenture whether such Redemption Price is expressed as a percentage of the principal amount of the Note or otherwise.

**"Registered Owner"** shall mean the Owner of any Note which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

**"Related Document"** means this Indenture, the Loan Agreement, or any other transaction document, including any underlying security agreement related to the 2021 Notes.

**"Revenue Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of this Indenture.

**"Revenues"** shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under the Loan Agreement; (ii) any moneys or securities held pursuant to this Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under this Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Notes pursuant to a Supplemental Indenture.

**"Securities Depository"** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, and any successor Securities Depository appointed pursuant to Section 2.13 hereof.

**"Series"** shall mean all of the Notes authenticated and delivered upon original issuance pursuant to this Indenture and any Supplemental Indenture authorizing such Notes as a separate Series of Notes, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to this Indenture, regardless of variations in maturity, interest rate, sinking fund installments or other provisions.

**"Standard & Poor's"** or **"S&P"** shall mean S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"State"** shall mean the State of New Jersey or any successor to its duties and functions.

**"Supplemental Indenture"** shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article IX hereof.

**"Tax-Exempt Obligations"** shall mean any Series of Notes which are issued pursuant to the terms of this Indenture together with an opinion of Bond Counsel to the effect that the interest on such Notes is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**"Tax Agreement"** means, collectively, the Tax and Non-Arbitrage Certificate executed and delivered by the Public University and the Non-Arbitrage Certificate executed and delivered by the Authority at the time of issuance and delivery of the Notes.

**"Trustee"** shall mean, with respect to the 2021 Notes and any Series of Additional Notes issued hereunder, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Indenture or appointed trustee pursuant to a Supplemental Indenture.

**"2021 Notes"** the Series of Tax-Exempt Obligations issued as Notes so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 hereof in the principal amount of \$24,500,000, which are designated Loan Revenue Notes (Rowan University Student Center Project), Series 2021.

**"Underwriter"** shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2021 Notes.

**"Value"** as of any particular time of determination, means:

(a) For securities:

- (1) the closing bid price quoted by Interactive Data Systems, Inc.; or
- (2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or
- (3) the lower of two dealer bids on the valuation date; the dealers or their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued; or
- (4) a valuation performed by a pricing service acceptable to the Trustee; or
- (5) for any security maturing within 30 days of the valuation date, the maturity value of the security including interest to be paid on the maturity date;

(b) As to certificates of deposit and bankers' acceptances, the face amount thereof, plus accrued interest; and

(c) With respect to any investment agreement, the total amount that may be withdrawn therefrom for the purposes of the fund in which it is held.

**"Written Request"** means a request in writing signed by an Authorized Authority Representative or an Authorized Public University Representative, as applicable.

**"Yield"** shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Notes is to be computed in accordance with Treasury Regulations

Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

**Section 1.02 Rules of Construction.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

- (a) The terms defined in this Article I include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.
- (c) The words "herein," "hereof," "hereunder," "hereto" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.
- (d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (e) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF NOTES

**Section 2.01. Authorization of Notes.** No Notes may be issued under this Indenture except in accordance with this Article II.

(a) In accordance with the Act and pursuant to the provisions of this Indenture, there is hereby authorized to be issued one or more Series of Notes of the Authority. The Notes shall be special and limited obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The principal amount of the Notes that may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law.

(b) The Notes may, if and when authorized by the Authority pursuant to this Indenture and one or more Supplemental Indenture, be issued in one or more Series at one or more times, and the designation thereof, shall include such further appropriate particular program or project designation added to or incorporated in such title for the Notes of any particular Series as the Authority shall determine herein or in a Supplemental Indenture with respect to such Series of Notes. Each Note shall bear upon its face the designation so determined for the Series to which it belongs.

(c) Nothing contained in this Indenture shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Notes of two (2) or more separate Series authorized pursuant to such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 2.02, 2.03 and 2.05 hereof into a single Series of Notes for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 2.02, 2.03, 2.05 and 2.13 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.

(d) The Notes shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University is obligated to pay the principal of and interest on the Notes and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Notes, but all Notes shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.

### **Section 2.02. General Provisions for Issuance of Notes.**

(a) All of the Notes of each Series, including the 2021 Notes, shall be executed by the Authority for issuance under this Indenture and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Notes to the Authority or upon its order, but only upon the receipt by the Trustee of:

(i) An opinion of Bond Counsel (dated the date the Notes of such Series are initially issued and addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, *inter alia*, that, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy, (A) the Authority has the right and the power under the Act, as amended to the date of such opinion, the Indenture has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the execution and delivery of the Indenture is required; (B) the Indenture creates the valid pledge that it purports to create on the Pledged Property; and (C) the Notes of such Series are valid, binding, special and limited obligations of the Authority as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of this Indenture and of the Act, as amended to the date of such opinion, and such Notes have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;

(ii) A written order as to the delivery of such Series of Notes signed by an Authorized Authority Representative, which order shall (A) direct the application of the proceeds of such Series of Notes, and (B) set forth the maturity schedule for said Series of Notes and the interest rate or rates payable with respect thereto;

(iii) A copy, duly certified by an Authorized Authority Representative, of the Bond Resolution authorizing, *inter alia*, the execution of this Indenture (or any Supplemental Indenture), the Loan Agreement (and any amendment or supplement thereto), and the bond purchase contract with the Underwriter;

(iv) A fully executed copy of the Loan Agreement (or any supplement or amendment thereto);

(v) A fully executed copy of this Indenture (or any Supplemental Indenture);

(vi) Certified copies of any resolutions of the Public University authorizing and approving, *inter alia*, the execution and delivery of the Loan Agreement (and any amendment and supplement thereto), the Continuing Disclosure Agreement and the Tax Agreement;

(vii) A fully executed copy of the bond purchase contract for such Series of Notes executed by the Authority and the Underwriter thereof;

(viii) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the Series of Tax-Exempt Obligations;

(ix) Except in the case of the initial 2021 Notes, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(x) Except in the case of the initial 2021 Notes, a certificate of an Authorized Public University Representative stating that the Public University is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Loan Agreement;

(xi) An Opinion of Counsel to the Public University (dated the date the Notes are initially issued) to the effect that the Loan Agreement (or any amendment or supplement thereto) has been duly and validly authorized, is in full force and effect on the date of issuance of the Notes and is enforceable against the Public University in accordance with its terms, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and

(xii) Such further documents, moneys and securities as are required by the provisions of Sections 2.03 or 2.05 or Article XI hereof or any Supplemental Indenture adopted pursuant to Article IX hereof.

(b) All of the Notes of each Series shall be identical in all respects, except as to such further name designation incorporated in the title for the Notes of each Series, denominations, maturity date, interest rates, numbers and letters.

#### **Section 2.03. The 2021 Notes.**

(a) The 2021 Notes are hereby authorized to be issued and secured hereunder as follows:.

(i) the 2021 Notes are entitled to the benefit, protection and security of the provisions hereof. The 2021 Notes shall be designated as and shall be distinguished from the Notes of all other Series by the title "Loan Revenue Notes (Rowan University Student Center Project), Series 2021"; and

(ii) The 2021 Notes shall be issued in an principal amount of \$24,500,000, shall bear interest payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2021, at the rate of 0.600% and shall mature on March 1, 2024 (subject to prior redemption as provided in Article III).

(iii) The 2021 Notes shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the 2021 Notes shall be lettered and numbered as PN-1. Subject to the provisions of this Indenture, the form of the 2021 Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Exhibit "A", attached hereto.

(b) The proceeds of the Loan, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

(i) an amount equal to \$426,300.00, representing capitalized interest accrued on the Loan shall be deposited into the 2021 Capitalized Interest Subaccount of the 2021 Account of the Debt Service Fund;

(ii) an amount equal to \$139,200.00 for the payment of the costs of issuance related to the issuance and sale of the 2021 Notes, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 4.06(b) hereof; and

(ii) the balance of proceeds of the Loan in the amount of \$23,679,500.00 shall be deposited into the 2021 Account in the Project Fund for the payment of Costs of the Facilities Project, which Fund is created and established pursuant to Section 4.02(a) hereof.

#### **Section 2.04. Determination of Interest Payable.**

The Notes shall bear interest from the most recent Interest Payment Date next preceding the date of such Notes to which interest has been paid, unless the date of such Note is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Note is prior to the first Interest Payment Date of the Notes, in which case interest shall be payable from the dated date of the Notes, or unless the date of such Note is between a Record Date, and the next succeeding interest payment date, in which case from such Interest Payment Date.

#### **Section 2.05. Additional Notes.**

(a) One or more Series of Additional Notes may be authorized and delivered upon original issuance to refund all or any portion (as determined by the Authority) of any Outstanding Notes or any Series thereof, including one or more maturities within such Series of Notes, upon compliance with the terms and conditions set forth in subsection (b) of this Section 2.05 and in Section 2.02 hereof.

(b) Prior to or simultaneously with the delivery of each such Series of Additional Notes pursuant to subsection (a) of this Section 2.05, the Trustee shall receive, in addition to the items required by Section 2.02 hereof:

(i) a certified copy of the resolution of the Public University consenting to the issuance of such Series of Additional Notes and pledging the general obligation credit of the Public University to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of such Series of Additional Notes;

(ii) irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Notes (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;

(iii) if the Notes to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 3.04 to the Holders of the Notes being refunded, except in the case where any Series of Notes is not by its terms subject to redemption;

(iv) either (A) moneys in an amount sufficient to effect payment at the applicable Redemption Price of those Notes, if any, to be redeemed or the principal amount of those Notes, if any, to be paid at maturity, together with accrued interest on such Notes to the redemption or maturity date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the Holders of the Notes to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of Section 11.01 and Section 11.02 hereof, and any moneys required pursuant to said Sections which Government Obligations and moneys shall be held in trust and used only as provided in said Sections and including a verification report to the same effect; and

(v) executed copies of amendments to the Loan Agreement certified to as being in full force and effect by an Authorized Authority Representative and an Authorized Public University Representative.

(c) The proceeds, including accrued interest, of the Additional Notes of such Series shall be applied simultaneously with the delivery of such Additional Notes, as provided in the Supplemental Indenture authorizing such Additional Notes.

#### **Section 2.06. Forms and Denominations of Notes.**

(a) The Notes and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in Exhibits "A" and "B" hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Notes shall be issuable in the form of fully registered Notes without coupons in Authorized Denominations.

#### **Section 2.07. Method and Place of Payment of Notes.**

(a) The Trustee is hereby designated as the Authority's Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Notes.

(b) The principal of, redemption premium, if any, and interest on the Notes shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) The principal of and the redemption premium, if any, on all Notes shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Notes are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Notes at the Principal Office of the Trustee or of any Paying Agent named in the Notes.

(d) The interest payable on each Note on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Note is registered on the Bond Register at the close of business on the Record Date for such interest: (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner; or (ii) by electronic transfer in immediately available funds, if the Notes are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of Notes in the aggregate principal amount of at least \$1,000,000, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

#### **Section 2.08. Execution and Authentication of Notes.**

(a) The Notes shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and attested by the manual or facsimile signature of its Executive Director (provided the Notes are not executed by the Executive Director) or Deputy Executive Director, Secretary or any Assistant Secretary, and shall have the official common seal of the Authority or a facsimile thereof affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Notes shall cease to be such officer before the delivery of such Notes, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Note may be signed by such Persons as at the actual time of the execution of such Note shall be the proper officers to sign such Note although at the date of such Note such Persons may not have been such officers.

(b) The Notes shall have endorsed thereon a Certificate of Authentication substantially in the forms set forth in Exhibit "A" hereto, which shall be manually executed by the Trustee. No Note shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Note shall be deemed to have been duly executed if signed by any Authorized Officer or signatory of the Trustee, but it shall not be

necessary that the same officer or signatory sign the Certificate of Authentication on all of the Notes that may be issued hereunder at any one time.

#### **Section 2.09. Registration, Transfer and Exchange of Notes.**

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office.

(b) Any Note may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Note, a new Note or Notes registered in the name of the transferee, of any Authorized Denomination or Denominations, in an equal aggregate principal amount and of the same maturity and bearing interest at the same rate.

(c) Any Notes, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Notes of the same maturity, of any Authorized Denomination or Denominations, and bearing interest at the same rate.

(d) In all cases in which Notes shall be exchanged or transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Notes in accordance with this Indenture. All Notes surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Authority, the Trustee or the Securities Depository may make a charge against the Noteowner requesting the same for every such transfer or exchange of Notes sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Note shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Public University. In the event any Noteowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Noteowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Noteowner hereunder or under the Notes.

(f) The Trustee shall not be required to transfer or exchange: (i) any Note during a period beginning at the opening of business 15 days before the day of mailing of any notice of redemption of Notes and ending at the close of business on the day of such mailing; (ii) any Note so selected for redemption in whole or in part; or (iii) any Note during a period beginning at the opening of business on any Record Date and ending at the close of business on the relevant Interest Payment Date.

(g) The Person in whose name any Note shall be registered on the Bond Register shall be deemed and regarded as the absolute Owner of such Note for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Note shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Public University, the Authority or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Notes then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

#### **Section 2.10. Temporary Notes.**

(a) Until definitive Notes are ready for delivery, the Authority may execute, and upon the Written Request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Notes, but subject to the same limitations and conditions as definitive Notes, temporary printed, engraved, lithographed or typewritten Notes.

(b) If temporary Notes shall be issued, the Authority shall cause the definitive Notes to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its Principal Office of any temporary Note shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Note in the same aggregate principal amount and of the same maturity and bearing interest at the same rate as the temporary Note surrendered. Until so exchanged the temporary Notes shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Notes to be issued and authenticated hereunder.

**Section 2.11. Mutilated, Lost, Stolen or Destroyed Notes.** In the event any Note shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Note of like date and tenor as the Note mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Note, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Authority and the Trustee harmless. In the event any such Note shall have matured or shall have been selected for redemption, instead of issuing a substitute Note, the Trustee in its discretion may pay, with funds available under this Indenture for such purpose, such Note without surrender thereof (except in the case of a mutilated Note). Upon the issuance of any substitute Note, the Authority and the Trustee may require the payment of an amount by the Noteowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

**Section 2.12. Cancellation and Destruction of Notes Upon Payment.** All Notes which have been paid or redeemed or which the Trustee has purchased or which have otherwise

been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled and destroyed by the Trustee in compliance with all applicable laws and regulations and the record retention requirements of the Trustee upon the payment, redemption or purchase of such Notes and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Notes so canceled and destroyed, and shall file executed counterparts of such certificate with the Authority and the Public University.

#### **Section 2.13. Book-Entry; Securities Depository.**

(a) The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial Owners will receive certificates representing their respective interests in the Notes, except in the event the Trustee issues Replacement Notes as provided in subsection (b) below. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, redemption premium, if any, and interest on the Notes to the Participants until and unless the Trustee authenticates and delivers Replacement Notes to the beneficial Owners as described in subsection (b) below.

(b) If: (i) the Authority determines (A) that the Securities Depository is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (B) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Noteowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Notes; or (ii) the Trustee receives written notice from Participants having interests in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Noteowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Notes, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial Owners of the Notes of such determination or such notice and of the availability of certificates to beneficial Owners of the Notes requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Notes to the beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (i)(A) of this subsection (b), the Authority with the consent of the Trustee may select a successor Securities Depository in accordance with subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Registered Owner of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Authority, the Trustee or the Public University is unable to locate a qualified successor Securities Depository in accordance with subsection (c) below, then the Trustee shall authenticate and cause delivery of Replacement Notes, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal

amount held by the beneficial Owners of the Notes. The cost of printing Replacement Notes shall be paid for by the Public University.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Note or Notes for cancellation shall cause the delivery of Notes to the successor Securities Depository in Authorized Denominations and form as provided herein.

**Section 2.14. Legends.** The Notes of each Series may contain or may have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or a Supplemental Indenture as may be necessary or desirable to comply with the custom or rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the authentication and the delivery thereof.

**ARTICLE III**  
**REDEMPTION OF NOTES**

**Section 3.01. Redemption of Notes Generally.** Notes subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice as provided in this Article III, at such times, at such Redemption Prices and upon such terms, as set forth below pertaining to the 2021 Notes and the Supplemental Indenture authorizing Additional Notes. Except as may be otherwise provided in a Supplemental Indenture authorizing a Series of Notes, any Series of Notes may be redeemed in whole or in part on any date by the Authority, at the written direction of the Public University, in accordance with this Indenture or a Supplemental Indenture, as applicable.

**Section 3.02. Redemption of 2021 Notes.** The 2021 Notes shall be subject to optional redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Note Loan Agreement, on or after March 1, 2022 in whole or in part at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2021 Notes to be redeemed, plus accrued interest to the redemption date.

**Section 3.03. Selection of Notes to be Redeemed.**

(a) The Notes shall be redeemed only in Authorized Denominations. If the Notes are registered in book-entry form, and so long as DTC or a successor Securities Depository is the sole Registered Owner of such Notes, and if fewer than all of such Notes are to be redeemed, the portion of the Notes to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the Notes are held in book-entry form, the selection for redemption of such Notes shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the Notes will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all Notes remaining Outstanding will be in Authorized Denominations.

If the Notes are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the Notes, if fewer than all of the Notes are to be redeemed, such Notes will be selected on a pro-rata basis as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all Notes remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective registered Owners of the Notes on a payment date and (b) the denominator of which is equal to the total original principal amount of the Notes.

(b) In the case of a partial redemption of Notes when such Notes of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes

in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Note of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Note is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Note or such Owner's attorney or legal representative shall forthwith present and surrender such Note to the Trustee: (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption; and (ii) for exchange, without charge to the Owner thereof for a new Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note shall fail to present such Note to the Trustee for payment and exchange as aforesaid, said Note shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Notes for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a Written Request of the Authority with the consent of the Public University. Such request shall specify the principal amount of the Notes so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Notes are to be called for redemption.

**Section 3.04. Notice and Effect of Call for Redemption.**

Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the series of Notes to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Notes of such series are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Notes to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Note or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such Notes are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Notes.

Any notice of redemption of any series of Notes pursuant to Section 3.02(a) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Notes or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Notes of such series or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall

default in the payment of the redemption price) such Notes, or portions thereof shall cease to bear interest. Upon surrender of such Notes for redemption in accordance with said notice, such Notes shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Note, there shall be prepared for the Registered Owner a new Note or Notes of the same maturity in the amount of the unpaid principal. All Notes which have been redeemed shall be canceled and destroyed by the Trustee in accordance with Section 2.12 and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Noteowners of redeemed Notes which have not been presented for payment within 30 days after the redemption date.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Authority as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed:

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the CUSIP numbers of all Notes being redeemed (provided that the notice may contain the Trustee's standard disclaimer as to the correctness and use of the CUSIP numbers); (2) the date of issue of the Notes as originally issued; (3) the rate of interest borne by each Note being redeemed; (4) the maturity date of each Note being redeemed; and (5) any other descriptive information needed to identify accurately the Notes being redeemed.

(b) Each further notice of redemption shall be sent at least 30 days before the redemption date by registered or certified mail, overnight delivery service or facsimile or electronic submission to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Notes and to one or more national information services that disseminate notices of redemption of obligations such as the Notes.

Upon the payment of the redemption price of Notes being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Notes being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Notes, the Trustee shall provide the notices specified in this Section 3.04 only to the Securities Depository in the form prescribed by the Securities Depository to the Securities Depository at 55 Water Street, New York, New York 10041, Attention: Call Notification Department (Email: [redemptionnotification@dtcc.com](mailto:redemptionnotification@dtcc.com)) or at such other address as may be provided in writing to the Trustee from time to time. The foregoing notice of redemption shall be sent to the Securities Depository at least thirty (30) days prior to the redemption date by certified or registered mail, overnight delivery service, electronic mail with confirmation of receipt or by any other secure method which enables the Trustee subsequently to verify the transmission of such notice. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial Owner of a Note (having been mailed notice from the Trustee, a Participant or

otherwise) to notify the beneficial Owner of the Note so affected, shall not affect the validity of the redemption of such Note.

Failure of any Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Notes. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

## ARTICLE IV

### CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF NOTE PROCEEDS AND OTHER MONEYS

#### **Section 4.01. Pledge Effected by This Indenture.**

(a) There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Notes issued in anticipation thereof in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, all of the Pledged Property.

(b) All Pledged Property shall immediately be subject to the lien of the pledge made herein for the benefit of the Noteholders without any physical delivery thereof or further act, or any filing, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

(c) The Notes shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the Notes and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Notes, but all Notes shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement as authorized in the Act.

(d) The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the Public University under the Loan Agreement (except for Additional Loan Payments), to the Trustee for the benefit of the Noteholders and covenants and directs the Public University, pursuant to the Loan Agreement, to pay all such Loan Payment amounts (except for Additional Loan Payments) directly to the Trustee.

(e) Nothing contained in this Section 4.01 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by revenues and funds other than the Pledged Property including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

**Section 4.02. Creation of Funds and Accounts.** There are hereby created and ordered to be established in the custody of the Trustee the following special trust Funds and Accounts in the name of the Authority to be designated as follows:

(a) "Project Fund" ("Project Fund"), including an Account established therein for the 2021 Notes to be held by the Trustee on behalf of the Authority;

(b) "Revenue Fund" ("Revenue Fund"), including Accounts established therein for the 2021 Notes and any Series of Additional Notes, to be held by the Trustee on behalf of the Authority;

(c) "Operating Fund" ("Operating Fund"), including separate Accounts established therein for the 2021 Notes and any Series of Additional Notes, to be held by the Trustee on behalf of the Authority;

(d) "Proceeds Fund" ("Proceeds Fund"), including a separate Account established therein for the 2021 Notes related to the Facilities Project, to be held by the Trustee on behalf of the Authority;

(e) "Debt Service Fund" ("Debt Service Fund"), including separate Accounts established therein for the 2021 Notes and any Series of Additional Notes, and within such Accounts, certain subaccounts as set forth in this Indenture, to be held by the Trustee on behalf of the Authority;

(f) "Debt Retirement Fund" ("Debt Retirement Fund"), including separate Accounts established therein for the 2021 Notes and any Series of Additional Notes, to be held by the Trustee on behalf of the Authority;

(g) "Rebate Fund" ("Rebate Fund"), including Accounts established therein for the 2021 Notes and any Series of Additional Notes issued as Tax-Exempt Obligations, to be held by the Trustee on behalf of the Authority; and

(h) The Trustee shall establish such additional accounts or sub accounts within such funds as are called for by the provisions hereof at such time or times as such accounts or sub accounts are required or become applicable or as directed by the Authority.

#### **Section 4.03. Project Fund.**

(a) There shall be established within the Project Fund a separate Account for the 2021 Notes related to the Facilities Project referred to as the "2021 Account of the Project Fund".

(b) There shall be paid into such 2021 Account of the Project Fund: (i) the amounts required to be so paid by the provisions of this Indenture, including any proceeds from the Loan in accordance with Section 2.03(b) hereof; (ii) at the option of the Public University, any Proceeds received with respect to the Facilities Project pursuant to Sections 7.06 and 7.07 of the Loan Agreement, (iii) at the option of the Public University, amounts received from the Public University pursuant to Section 4.11 of the Loan Agreement and subsection (f) of this Section 4.03, (iv) at the option of the Public University, amounts received from the Public University from the conveyance or exchange of facilities and/or equipment previously acquired with the proceeds of the Loan and applied pursuant to Section 6.06(B) of the Loan Agreement, and (v) at the option of the Public University, any moneys received by the Authority or the Public University for or in connection with the Facilities Project from any other source, unless required

to be otherwise applied in accordance with this Indenture. Any amounts deposited in the 2021 Account in the Project Fund shall be applied in the following order and priority: (A) to pay the Costs of the Facilities Project or to reimburse the Public University for any Costs of the Facilities Project paid by it in accordance with a reimbursement resolution adopted by the Public University, and (B) to the extent not otherwise utilized, moneys in the 2021 Account in the Project Fund shall be transferred to the 2021 Account in the Debt Service Fund or the 2021 Account in the Debt Retirement Fund and applied by the Trustee in accordance with subsection (d) of this Section 4.03.

(c) The Authority shall authorize the Trustee to make payments from the 2021 Account in the Project Fund for the Cost of the Facilities Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (c). Before any such payment shall be made, there shall be filed by the Public University with the Trustee a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit "B" to the Loan Agreement, signed by an Authorized Public University Representative, stating in respect of each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the 2021 Account in the Project Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Public University for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Public University; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or 100% of the payment previously made by the Public University; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and is a proper charge against the 2021 Account in the Project Fund and has not been the basis of any previously paid withdrawal or requisition; (vii) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with, if any; (viii) if such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, that the amount to be paid does not exceed the actual cost thereof to the Public University; (ix) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Indenture and everything required to be performed by the Public University has been performed; (x) the Public University has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons, firms or corporations named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

(d) The completion of the Facilities Project by the Public University shall be evidenced by a certificate or certificates signed by an Authorized Public University

Representative which shall be in substantially the form set forth in Exhibit "C" to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating: (i) that such Facilities Project is complete or has been substantially completed; (ii) the date of completion of the Facilities Project; (iii) the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the Facilities Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the Facilities Project is an authorized "public facility" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the Facilities Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2021 Account in the Project Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized Public University Representative (a copy of which Completion Certificate shall also be provided by the Public University to the Authority), in either: (i) the 2021 Account in the Debt Retirement Fund for application to the retirement of the 2021 Notes by purchase or redemption; or (ii) the 2021 Account in the Debt Service Fund. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the Facilities Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized Public University Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

(e) Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the Facilities Project or its surety due and owing to the Public University pursuant to Section 4.10 of the Loan Agreement shall be paid to the Trustee for deposit in the 2021 Account in the Project Fund (in accordance with written instructions from the Authority as directed in writing by the Public University) to complete the Facilities Project. Any such moneys not necessary to complete the Facilities Project or not so applied, as stated in a certificate executed by an Authorized Public University Representative delivered to the Trustee, shall be transferred by the Trustee to the 2021 Account in the Proceeds Fund and applied as a credit toward the Public University's Loan Payment obligations with respect to the 2021 Notes on the next succeeding Loan Payment Date, in accordance with Section 4.08(b) and (c) hereof.

(f) In the event the Cost to complete the Facilities Project shall exceed the amount available to the Public University from the portion of the proceeds of the Loan allocable thereto and in the event the Public University elects to undertake such remaining portions of the Facilities Project, pursuant to Section 4.11 of the Loan Agreement, the Public University shall be obligated to pay such sums as may be required to pay the Cost of the Facilities Project in excess of the amount available to the Public University from the portion of the proceeds of the Loan allocable thereto out of funds legally available therefor. Payment of such additional amounts

shall be made by the Public University at the time or times and in the amount or amounts required for the payment of such excess Cost as the same becomes due and payable.

#### **Section 4.04. Reserved.**

**Section 4.05. Revenue Fund.** Except as set forth in Sections 4.06 and 5.02 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 4.07 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article IV.

#### **Section 4.06. Operating Fund.**

(a) Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the 2021 Notes and the initial advance of the Loan and, thereafter, upon the original issuance of any Series of Additional Notes, any proceeds of the Loan and Public University moneys or Note proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (b) of this Section 4.06.

(b) There shall be established within the Operating Fund separate Accounts for the 2021 Notes and any Series of Additional Notes. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the Public University from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation with respect to any Series of Tax-Exempt Obligations, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of the 2021 Notes and any Series of Additional Notes, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Notes any balance then remaining for such Series of Notes unless the Public University requests, in writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

(c) Amounts paid by the Public University as Additional Loan Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.10 of the Loan Agreement with respect to any Series of Tax-Exempt Obligations and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall deposit the same in the respective Accounts in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (b) of this Section 4.06.

#### **Section 4.07. Payments From the Revenue Fund Into Certain Funds.**

(a) As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the second Business Day immediately following: (i) a Loan Payment Date; or (ii) the deposit of any Revenues in the Revenue Fund payable by the Public University upon demand pursuant to Sections 5.02(A) and (B) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (i) Revenues representing Loan Payments made by the Public University pursuant to Section 5.02(A) of the Loan Agreement, the amount of such payment being in accordance with Exhibit "A" attached to the Loan Agreement, shall be deposited in the applicable Accounts in the Debt Service Fund in accordance with Section 4.09 hereof; (ii) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(B) of the Loan Agreement shall immediately be deposited in the 2021 Account in the Debt Service Fund and applied in accordance with the provisions of Section 4.09 hereof; (iii) Revenues representing Additional Loan Payments made by the Public University pursuant to Section 5.02(B) of the Loan Agreement, including the annual Authority Administrative Expenses, shall immediately be deposited in the applicable Accounts in the Operating Fund and applied in accordance with the provisions of Section 4.06(c) hereof; and (iv) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Indenture, such that the total balance in each Account in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Notes for the next respective succeeding Interest Payment Date or the Maturity Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Indenture to the payment of interest accrued and unpaid and to accrue on such Series of Notes to the next Interest Payment Date or Maturity Date, as applicable, as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Notes of a particular Series in accordance with their terms (including principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

(b) Revenues consisting of proceeds representing damages or other moneys from any contractor, subcontractor, manufacturer, supplier or surety shall be immediately credited in accordance with Sections 4.03(e) and 4.08(b) hereof.

(c) All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that: (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 5.02 hereof and shall be applied in accordance with the provisions hereof; and (ii) interest earned on any moneys or investments in the 2021 Account in the Project Fund shall be held in such Account in the Project Fund until delivery of a Completion Certificate for the Facilities Project as required by Section 4.03(d) of this Indenture at which time such moneys shall be applied in accordance with Section 5.02 hereof.

#### **Section 4.08. Proceeds Fund.**

(a) Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 4.03(e) hereof and not necessary to complete the Facilities Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized Public University Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2021 Account in the Project Fund to the 2021 Account in the Proceeds Fund and applied as a credit toward the Public University's Loan Payment obligations pursuant to subsections (b) and (c) below.

(b) Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 4.10 of the Loan Agreement and deposited in the 2021 Account in the Project Fund in accordance with Section 4.03(e) hereof and not necessary to complete the Facilities Project or otherwise applied to complete the Facilities Project shall be transferred by the Trustee to the 2021 Account in the Proceeds Fund. Proceeds on deposit in the 2021 Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University on each Loan Payment Date for the payment of Debt Service on the 2021 Notes by the transfer of such proceeds to the 2021 Account in the Debt Service Fund as set forth in a certificate of an Authorized Public University Representative filed with the Trustee at the time of the deposit of the proceeds into the 2021 Account in the Proceeds Fund.

(c) To the extent moneys in the 2021 Account in the Debt Service Fund (other than moneys deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account of the Debt Service Fund) are sufficient to satisfy the amount of Loan Payments due and owing by the Public University for such Bond Year, any such proceeds on deposit in the 2021 Account in the Proceeds Fund or any other Revenues deposited therein shall remain in said 2021 Account in the Proceeds Fund and shall be transferred thereafter into the 2021 Account in the Debt Service Fund on each Loan Payment Date for the payment of Debt Service on the 2021 Notes until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the Public University in any Bond Year. Any such proceeds or any other Revenues deposited in the 2021 Account in the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel.

(d) To the extent moneys in the 2021 Capitalized Interest Subaccount Account of the 2021 Account of the Debt Service Fund are transferred to the Proceeds Fund in accordance with Section 4.09(g) hereof, such moneys shall be deposited in a separate Account created therein referred to as the "2021 Capitalized Interest Account of the Proceeds Fund" and shall, thereafter, be utilized to pay interest on the 2021 Notes on the next ensuing Interest Payment Date. The application of such monies deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the Public University in any Bond Year and shall be transferred to the 2021 Account of the Debt Service Fund on each Interest Payment Date for the payment of interest due on the 2021 Notes through and including March 1, 2024 or until such moneys are exhausted, whichever is earlier. Any such monies deposited in the 2021 Capitalized

Interest Account of the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel.

#### **Section 4.09. Debt Service Fund.**

(a) Pursuant to Section 4.07(a)(i) hereof, Revenues representing Loan Payments from the Public University deposited in the Revenue Fund on any Loan Payment Date shall be transferred to and deposited in the applicable Account in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Accounts in the Debt Service Fund, after all Revenues representing Loan Payments from the Public University originally deposited in the Revenue Fund and transferred to and deposited in the applicable Account in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirement on each Series of Outstanding Notes for the next succeeding Interest Payment Date or the Maturity Date, as applicable. Subject to and after the application of the provisions of Section 4.10 hereof, in the event such amounts in the applicable Account of the Debt Service Fund are insufficient to meet such Debt Service Requirement on each Series of the Outstanding Notes, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 12.03 hereof, to the Authority and the Authorized Public University Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Loan Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date or the Maturity Date, as applicable. The notice to the Authorized Public University Representative and the Authority shall also include the amount of the interest and/or principal, as applicable, due and payable and the amount required to be paid by the Public University to cure such deficiency and to enable the Trustee to make a Debt Service payment on the applicable Series of Outstanding Notes on the next ensuing Interest Payment Date or the Maturity Date, as applicable. The receipt of any such notice by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative to the Trustee within one (1) Business Day after receipt thereof.

(b) (i) On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on each Series of Outstanding Notes due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date; and (ii) on the Maturity Date of each Series of Outstanding Notes, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal amount of such Series of Outstanding Notes, which moneys shall be applied by the Paying Agent to the payment of such principal on the Maturity Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of each Series of Outstanding Notes, where applicable, pursuant to the provisions of subsection (c) below.

(c) The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Notes and any Series of Additional Notes, shall be set aside in the Account established for such Series of Notes in such Fund and applied, in

accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Notes, to the payment of accrued interest on such Series of Notes as the same becomes due and payable.

(d) In the event of the refunding of any Notes, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the applicable Account in the Debt Service Fund established for the Series of Notes being refunded all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Series of Notes being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless (a) immediately thereafter the Series of Notes being refunded shall be deemed to have been paid pursuant to Section 11.01 hereof, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of the Additional Notes and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to subsection (a) of this Section 4.09 with respect to the Debt Service Requirement on each Outstanding Series of Notes and Section 4.07 hereof.

(e) The amount deposited in the 2021 Account in the Debt Service Fund representing capitalized interest on the 2021 Notes shall be set aside in a separate subaccount within such 2021 Account of the Debt Service Fund created herewith and referred to as the "2021 Capitalized Interest Subaccount" and applied in accordance with subsection (g) of this Section 4.09 to the payment of interest due thereon on each Interest Payment Date for the period of time specified therein.

(f) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2021 Account in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the 2021 Notes on the next ensuing Interest Payment Date or the Maturity Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the 2021 Notes within thirteen (13) months of deposit, such moneys shall be transferred to the 2021 Account in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(c) hereof.

(g) Monies deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account in the Debt Service Fund pursuant to Section 2.03(b)(i) hereof shall be applied to the payment of interest due on the 2021 Notes on the next ensuing Interest Payment Date; provided, however, to the extent such moneys cannot be used to pay interest on the 2021 Notes within thirteen (13) months of deposit, such moneys shall be transferred to the 2021 Capitalized Interest Account in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(d) hereof. The application of monies deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account in the Debt Service Fund shall be credited toward that portion of the Loan Payments representing interest on the 2021 Notes due and owing from the Public University in any Bond Year and shall be transferred for the payment of such interest on each Interest Payment Date for the 2021 Notes through and including March 1, 2024 or until such moneys are exhausted, whichever is earlier.

#### **Section 4.10. Debt Retirement Fund.**

(a) If, on any Loan Payment Date prior to any Interest Payment Date or Maturity Date, as the case may be, the amount on deposit in the applicable Account of the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (a) of Section 4.07, the Trustee shall transfer from the applicable Account of the Debt Retirement Fund to the applicable Account of the Debt Service Fund an amount (or all of the moneys in the applicable Account of the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.

(b) To the extent not required to make up a deficiency as required in subsection (a) of this Section 4.10, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized Public University Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Notes.

(c) The transfers required by subsection (a) of this Section 4.10 shall be made from amounts in the applicable Account of the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Notes of such Series for which notice of redemption shall have been given by the Trustee to Noteholders.

#### **Section 4.11. Reserved.**

#### **Section 4.12. Application of Moneys in the Rebate Fund.**

(a) The Rebate Fund shall be held for the benefit of the United States of America and not for the benefit of the Holders of the Notes, which Holders shall have no rights in or to such fund.

(b) Subject to this Section 4.12, as of the last day of each fifth Bond Year or more frequently as determined by the Authority (each, a "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America ("Rebatable Arbitrage") pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee at the written direction of the Authority, and upon the receipt of funds from the Public University shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to one hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Notes to the Rebate Computation Date at issue, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to 90% of the amount of the Rebatable Arbitrage for such period.

(c) Subject to this Section 4.12, as of the last day on which the last Note remaining Outstanding is retired (the "Final Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee, at the written direction of the Authority, and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to the Rebatable Arbitrage for the period from the date of issuance of the

Notes to the Final Computation Date, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to the amount of the Rebatable Arbitrage for such period.

After making any transfer required for a Rebate Computation Date and the Final Computation Date, the Authority shall immediately pay or cause to be paid to the United States of America the amount in the Rebate Fund. The amounts in the Rebate Fund shall not be subject to the claim of any party, including any Noteholder, and shall not be paid to any party other than the United States of America.

All amounts in the Rebate Fund shall be used and withdrawn by the Authority or the Trustee solely for the purposes set forth in this Section 4.12. In the event the amount in the Rebate Fund is for any reason insufficient to pay to the United States of America the amounts due as calculated in this Section, the Public University, or the Trustee at the written direction of the Authority and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount for such deficiency.

Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Government Obligations, as shall be directed by an Authorized Authority Representative, upon written direction of the Public University, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

(d) Notwithstanding the provisions of this Section 4.12, the Authority hereby agrees to calculate or cause to be calculated the amount to be deposited in the Rebate Fund and the amount to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code in a manner not inconsistent with its arbitrage covenants set forth in the Tax Agreement. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.

(e) The Authority and the Public University agree that the Trustee shall not be liable for any damages, costs or liabilities resulting from the performance of the Trustee's duties and obligations hereunder, except that the Trustee shall be liable for its negligence or willful misconduct. The Public University shall indemnify and hold harmless the Trustee from and against any liabilities which the Trustee may incur in the exercise and performance of its duties and obligations hereunder, excepting only those damages, costs, expenses or liabilities caused by the Trustee's negligence or willful misconduct. In making any deposit or transfer to or payment from the Rebate Fund, the Trustee shall be entitled to rely conclusively and solely on the written instructions of the Authority and shall have no duty to examine such written instruments to determine the accuracy of the Authority's calculation of the Rebatable Arbitrage or the amounts to be paid to the United States. In the event that the Public University or the Authority shall not comply with their respective obligations hereunder, the Trustee shall have no obligation to cause compliance on their respective behalf. The indemnification provisions of this Section 4.12 shall survive the termination of this Indenture and the removal or resignation of the Trustee.

**Section 4.13. Payments Due on Saturdays, Sundays and Holidays.** In any case where the date of maturity of principal or of redemption premium, if any, or interest on the Notes or the

date fixed for redemption of any Notes shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

**Section 4.14. Nonpresentment of Notes.** In the event any Note shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption, if funds sufficient to pay such Note shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Note, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Note. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.* with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.* Any money held by the Trustee pursuant to this Section 4.14 shall be held uninvested and without any liability for interest.

**Section 4.15. Reports From Trustee.** The Trustee shall furnish monthly to the Authority and the Public University a report on the status of each of the funds and accounts established under this Article IV which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

**Section 4.16. Certain Verifications.** The Authority, from time to time, may cause a firm of attorneys, consultants or independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public University with such information as the Authority or the Public University may request in order to determine in a manner reasonably satisfactory to the Authority or the Public University all matters relating to (a) the Yield on the Notes as the same may relate to any data or conclusions necessary to verify that the Notes are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Public University. The Authority and the Public University authorize the Trustee to provide to such firm(s) such information as may be required by such firm(s) to make such determinations which the Trustee has maintained on its records pursuant to this Indenture.

**Section 4.17. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority.** Except as set forth in Section 4.14 hereof with respect to unclaimed funds, upon the final maturity of any Series of Notes issued hereunder, any moneys remaining in the Funds and Accounts held under this Indenture for such Series of Notes shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or

unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the Public University free and clear of the lien and pledge of this Indenture.

## ARTICLE V

### **DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

**Section 5.01. Moneys to be Held in Trust.** All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with this Indenture and the Loan Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Pledged Property and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Public University except as provided under Section 5.02 hereof for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

**Section 5.02. Investment of Moneys.** Moneys held in each of the Funds and Accounts hereunder shall, pursuant to the oral (confirmed promptly in writing) or written direction of the Authority, with the prior oral consent of the Public University (confirmed promptly in writing), be invested and reinvested by the Trustee in accordance with the provisions hereof in Investment Obligations which mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Authority regarding investment of funds pursuant to this Section 5.02, moneys held in any fund or account hereunder shall be invested or reinvested in shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may not act as the investment manager or advisor. The Trustee may make any investments permitted by this Section 5.02 through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.12 hereof) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V.

**Section 5.03. Record Keeping.** The Trustee shall maintain records of the investments made pursuant to this Article V and Article IV for at least six years after the payment of all of the Outstanding Notes.

## ARTICLE VI

### PARTICULAR COVENANTS AND PROVISIONS

**Section 6.01. Payment of Notes.** The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price of every Note and the interest thereon, at the dates and places and in the manner provided in the Notes, according to the true intent and meaning thereof.

**Section 6.02. Extension of Payment of Notes.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Notes or the time of payment of any claims for interest by the purchase or funding of such Notes or claims for interest or by any other arrangement, and in case the maturity of any of the Notes or the time for payment of any such claims for interest shall be extended, such Notes or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Notes or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Additional Notes pursuant to Section 2.05 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Notes to be refunded.

**Section 6.03. Offices for Servicing Notes.** The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Notes may be presented for payment. The Authority hereby appoints the Trustee, as a Bond Registrar, and the Authority shall at all times maintain one or more agencies where Notes may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Notes or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services.

**Section 6.04. Further Assurance.** At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Notes, including any Series thereof.

**Section 6.05. Power to Issue Notes and Pledge of Pledged Property.** The Authority is duly authorized under all applicable State laws to create and issue the Notes, to adopt this Indenture and to pledge the Pledged Property purported to be subjected to the lien of this Indenture in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or

of equal rank with, the pledge and assignment created by this Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Notes and the provisions of this Indenture are and will be the valid and legally binding special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Indenture and all the rights of the Noteholders under this Indenture against all claims and demands of all Persons whomsoever.

**Section 6.06. Creation of Liens.** The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Notes, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Authority or by Fiduciaries under this Indenture, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Indenture shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Indenture shall be discharged and satisfied as provided in Article XI hereof.

### **Section 6.07. Accounts and Reports.**

(a) The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the Project and each Fund or Account established under this Indenture. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the Public University and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Notes then Outstanding or their representatives duly authorized in writing.

(b) The Trustee or any Fiduciary shall advise the Authority as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Indenture.

(c) The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) days after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Indenture and the security therefor and of the Revenues collected.

(d) The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Indenture, a certificate signed by an Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

(e) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of the Noteholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged each Noteholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**Section 6.08. Payment of Taxes and Charges.** The Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Authority or upon the rights, revenues, income, receipts and other moneys, securities and funds of the Authority when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

**Section 6.09. The Loan Agreement.** The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the Public University pursuant to the Loan Agreement. Upon written request of the Trustee, the Authority shall provide the Trustee with copies of all requests for annual Authority Administrative Expenses under the Loan Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the Loan Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the Loan Agreement except in accordance with the provisions of Section 6.15 hereof. Copies of the Loan Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendment thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

**Section 6.10. Power to Determine and Collect Loan Payments.** The Authority has, and will have as long as Notes are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Loan Payments from the Public University.

**Section 6.11. Loan Payments.** Prior to the execution of the Loan Agreement, and in each and every Fiscal Year during which Notes are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Loan Payments from the Public University, as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of:

- (a) an amount equal to the Debt Service on the Outstanding Notes for such Fiscal Year; and
- (b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

**Section 6.12. Acquisition of the Facilities Project and its Operation and Maintenance.**

(a) The Authority shall cause the Public University to acquire, construct and/or install the Facilities Project with due diligence and in a sound and economical manner.

(b) The Authority shall at all times cause the Public University to use the Facilities Project properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals thereto.

**Section 6.13. Maintenance of Insurance.**

(a) The Authority shall at all times cause the Public University (for the benefit of the Authority) to maintain such insurance as shall be required by the provisions of the Loan Agreement.

(b) Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

**Section 6.14. Application of Insurance Proceeds.** The Proceeds of any insurance, including the Proceeds of any condemnation award paid on account of any damage or destruction to the Facilities Project or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.05, 7.06 and 7.07 of the Loan Agreement and Sections 4.03(e), 4.07(b) and 4.08(b) hereof.

**Section 6.15. Enforcement of Loan Agreement; Amendments.** The Authority shall enforce the provisions of the Loan Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Noteholders. The Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Notes without the prior written consent of (a)(i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Notes then Outstanding, or (ii) in case less than all of the several Series of Notes then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Notes of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Notes of any specified Series remain Outstanding, the consent of the Holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this Section 6.15; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Notes the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the prior written consent of the Holders of Outstanding

Notes to provide necessary changes in connection with the issuance of Additional Notes, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the Public University of any amendment to the Loan Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee in accordance with Section 6.09 hereof.

For purposes of this Section 6.15, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any amendment affects the interests of any Holders of Notes then Outstanding.

**Section 6.16. Additional Covenants with Respect to the Loan Agreement.** So long as any Notes or any Series thereof shall be Outstanding, the Authority will, at all times:

(a) comply with the obligations on the part of the Authority contained in the Loan Agreement (or any amendment thereto) and require the Public University to comply with its obligation to make Loan Payments thereunder and to pay all other amounts payable under the Loan Agreement (or any amendment thereto) as the same shall become due and payable; and

(b) promptly take all actions or proceedings necessary or required to compel compliance by such other parties to the Loan Agreement (or any amendment thereto) with respect to the obligations contained therein.

**Section 6.17. Reserved .**

**Section 6.18. General.**

(a) Upon the date of authentication and delivery of any Series of Notes, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Notes, shall exist, have happened and have been performed and the issue of such Series of Notes, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

(b) The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, this Indenture and the Loan Agreement, including the exercise of its remedies thereunder.

**Section 6.19. Federal Tax Covenants.** The Authority hereby covenants, and the Public University has covenanted in the Loan Agreement, not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Tax-Exempt Obligations. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations which would cause such Series of Tax-Exempt Obligations to be "arbitrage

bonds" (as defined in Section 148 of the Code). The Authority further covenants, and the Public University has covenanted in the Loan Agreement, to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants, and the Public University has covenanted in the Loan Agreement, not to cause the 2021 Notes and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

**Section 6.20. Secondary Market Disclosure.** The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Notes and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Notes or any other Person with respect thereto. The Authority has required the Public University in the Loan Agreement as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for its compliance with secondary market disclosure requirements pursuant to Rule 15c2-12(b) ("Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the Public University and Digital Assurance Certification, L.L.C., acting as dissemination agent. Notwithstanding any other provision of this Indenture, the failure of the Public University to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners of the Notes (as defined in the Continuing Disclosure Agreement) may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the Public University to comply with its obligations set forth in the Continuing Disclosure Agreement.

**Section 6.21. Financing Statements.** The Authority hereby authorizes the Trustee to prepare and file such financing statements and continuation statements, if applicable, relating to this Indenture (including, but not limited to, the financing statements with respect to the 2021 Notes) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Noteholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the principal of and interest on the Notes secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

## ARTICLE VII

### DEFAULT AND REMEDIES

**Section 7.01. Events of Default.** If anyone or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Indenture:

(a) if default shall be made by the Authority in the due and punctual payment of the principal of any Note when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable; or

(b) if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Note, when and as such interest installment shall become due and payable; or

(c) if default shall be made in the due and punctual payment of the redemption premium of any Note when and as the same shall become due and payable; or

(d) the entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(e) a petition is filed by the Public University under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Indenture or thereafter enacted, unless in the case of a petition filed against the Public University, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public University's property or assets, if such order remains in effect or such possession continues for more than thirty (30) days; or

(f) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Notes contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Notes Outstanding; or

(g) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(h) if a court having jurisdiction shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days.

With regard to any alleged default concerning which notice is given to the Public University under this Section 7.01, the Authority hereby grants the Public University full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default. Upon the occurrence of an Event of Default for which the Trustee has received notice pursuant to Section 8.03 hereof or under which Section the Trustee is required to take notice, the Trustee shall, within 30 days, give written notice thereof by first class mail to all Noteowners.

**Section 7.02. Acceleration of Maturity in Event of Default.** In each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Notes shall have already become due and payable upon the occurrence of an Event of Default identified in Section 7.01 hereof, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Notes then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Notes then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Indenture or in any of the Notes to the contrary notwithstanding.

Upon a determination that the principal of all Notes then Outstanding, and the interest accrued thereon, shall be due and payable immediately by the Trustee in accordance with this Section 7.02, the Trustee shall, within one (1) Business Day thereof provide written notice to the Authority and the Public University of such determination, which notice shall state the amount of the principal of all Notes then Outstanding, and the interest accrued thereon as of the close of business on such date ("Acceleration Amount") and that such Acceleration Amount must be deposited with the Trustee within forty-five (45) days of such notice. The receipt of any such notice by the Authorized Public University Representative shall be acknowledged by the Authorized Public University Representative to the Trustee within one (1) Business Day after receipt thereof, provided however failure to acknowledge receipt of such notice shall not reduce the Public University's obligation to pay the Accelerated Amount.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Notes Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Notes shall have matured by their terms, all overdue installments of interest upon the Notes, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee and all other sums

then payable by the Authority and the Public University under this Indenture (except the principal of, and interest accrued since the next preceding Interest Payment Date on the Notes due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Notes or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Holders of fifty-one percent (51%) in principal amount of the Notes Outstanding, by written notice to the Authority and the Trustee, may rescind such declaration and annul such default in its entirety or if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Notes Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

**Section 7.03. Appointment of Receivers in Event of Default.** If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Noteowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Property and of the Loan Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

**Section 7.04. Exercise of Remedies by the Trustee.**

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the State Uniform Commercial Code) to enforce the payment of the principal of, redemption premium, if any, and interest on the Notes then Outstanding, to realize on or to foreclose any of its interests or liens hereunder or under the Loan Agreement, to exercise any rights or remedies available to the Trustee, to enforce and compel the performance of the duties and obligations of the Authority as herein set forth and to enforce or preserve any other rights or interests of the Trustee hereunder with respect to any of the Pledged Property or otherwise existing at law or in equity.

(b) If an Event of Default shall have occurred and be continuing, and if requested in writing so to do by the Owners of not less than 51% in aggregate principal amount of Notes then Outstanding and if indemnified as provided in Section 8.02(e) or Section 8.04 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VII as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Noteowners.

(c) All rights of action under this Indenture or under any of the Notes may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or

defendants any Owners of the Notes, and any recovery of judgment shall, subject to Section 7.07 hereof, be for the equal benefit of all the Owners of the Outstanding Notes.

**Section 7.05. Limitation on Exercise of Remedies by Noteowners.** No Owner of any Note shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 8.03 hereof or of which by said Section the Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than 51% in aggregate principal amount of Notes then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity as provided in Section 8.02(e) or Section 8.04 hereof, and (d) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Notes shall have the right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of the Owners of all Notes then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Noteowner to payment of the principal of and interest on any Note at and after the maturity thereof or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Notes to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Notes or affect or interfere with the right of any Owner to institute suit for the enforcement of any such payment.

**Section 7.06. Right of Noteowners to Direct Proceedings.** Except as provided in Section 7.05 hereof, the Owners of a majority in aggregate principal amount of Notes then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

**Section 7.07. Application of Moneys in Event of Default.** Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Pledged Property, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or

redemption premium, if any, or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) First: To the payment of all amounts due the Trustee under Section 8.04 hereof;
- (b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Notes for principal and redemption premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Notes) on overdue principal and redemption premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Notes, then to the payment of such principal, redemption premium, if any, and interest, without any preference or priority, ratably according to the aggregate amount so due; and
- (c) Third: To the payment of the remainder, if any, to the Public University or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to this Section 7.07, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date or the Maturity Date, unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Note until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Notes and interest thereon have been paid under this Section 7.07, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States of America under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Public University.

**Section 7.08. Remedies Cumulative.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Noteowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Noteowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been

discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Public University, the Trustee, and the Noteowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

**Section 7.09. Waivers of Events of Default.** The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written direction of the Owners of at least a majority in aggregate principal amount of all Notes then Outstanding, provided that there shall not be waived without the consent of the Owners of all the Notes Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Notes at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Notes unless, prior to such waiver or rescission of the Event of Default referred to in clause (a) or (b) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Notes on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, the Public University, the Trustee and the Noteowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

**Section 7.10. Cancellation of Notes Owned by the Public University.** Upon the occurrence of any Event of Default, any Notes owned by the Public University shall be deemed to be canceled and shall be surrendered to the Trustee, unless the Event of Default has been waived.

## **ARTICLE VIII**

### **THE TRUSTEE**

**Section 8.01. Acceptance of Trusts; Certain Duties and Responsibilities.** The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

(a) Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01.

**Section 8.02. Certain Rights of Trustee.** Except as otherwise provided in Section 8.01 hereof:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall be entitled to rely conclusively upon a Certificate of Authorized Authority Representative or a Certificate of an Authorized Public University Representative as to the sufficiency of any request or direction of the Public University or the Authority, as applicable, mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the Public University Board or a resolution of the Authority has been duly adopted, and is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon a Certificate of Authorized Authority Representative or a Certificate of an Authorized Public University Representative, as applicable.

(d) The Trustee may consult with counsel, and the advice or opinions of such counselor any Opinion of Counsel may be conclusively relied upon by the Trustee and shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment or reimbursement of all reasonable fees, costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including those arising in connection with any environmental claim and the fees and expenses of attorneys, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority or the Public University, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Notes, except the certificate of authentication on the Notes. The Trustee makes no representations to the value or condition of the Pledged Property or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Authority or the Public University of any of the Notes or the proceeds thereof or of any money paid to or upon the order of the Authority or the Public University under any provision of this Indenture.

(h) The Trustee or any of its affiliates, in its individual or any other capacity, may become the Owner or pledgee of Notes and may otherwise deal with the Authority or the Public University with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for accounting for earnings on Investment Obligations.

(j) The Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed by it with due care hereunder, taking into account the duties with respect to which such Person is appointed, and the Trustee shall not be required to give any bond or surety in respect of the execution, delivery or administration of this Indenture. This subparagraph shall not be interpreted as absolving the Trustee of responsibility with respect to duties customarily performed by corporate trustees in the ordinary course of business without the employment of agents, attorneys or receivers.

(k) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in liability to the Trustee, in its capacity as Trustee or in an individual capacity for which the Trustee has not received indemnity pursuant to Section 8.02(e) hereof from the Owners and the Trustee may conclusively rely upon an Opinion of Counsel addressed to the Authority and the Trustee in determining whether any action directed by Owners or the Authority may result in such liability.

(l) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar or Paying Agent.

(m) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement, advice or opinion to any Owner, the Public University, the Authority or any other Person, and the Trustee shall not incur

any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(n) In acting or omitting to act pursuant to the Loan Agreement or any of the other Loan Documents, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including but not limited to this Article VIII.

(o) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Notes or for compliance with securities laws in connection with the sale and issuance of the Notes.

(p) The Trustee shall have no responsibility with respect to compliance by the Authority or the Public University with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Loan Agreement regarding yields on investments.

(q) The Trustee shall not be required to give a bond or surety to act under this Indenture.

(r) The Trustee shall have no duty or obligation to record or file any mortgage or similar document relating to this Indenture, the Loan Agreement, or the Facilities Project.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

**Section 8.03. Notice of Defaults.** The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article IV hereof, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Authority, the Public University, or the Owners of at least 10% in principal amount of all Notes Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any Event of Default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section 8.03, the Trustee shall give written notice of such Event of Default by first-class mail to all Owners of Notes as shown on the Bond Register maintained by the Trustee, unless such default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or redemption premium, if any) or interest on any Note, the Trustee shall be protected in withholding such notice from Noteowners if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Noteowners. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

**Section 8.04. Compensation and Reimbursement.** The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for services performed by the Trustee under this Indenture (which in the case of compensation for the Trustee's services shall be agreed upon by the Authority with the acknowledgment of the Public University), which

compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust;

(b) except as otherwise expressly provided herein, upon its request, for all services performed by the Trustee (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith; and

(c) of indemnification for, and to be held harmless against, any loss, liability or expense incurred as provided in the Loan Agreement.

Pursuant to the Loan Agreement, the Public University has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee and to reimburse the Trustee and hold it harmless, and the Trustee agrees to look only to the Public University for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Loan Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

All indemnity provisions in favor of the Trustee under this Indenture and the Loan Agreement shall survive the termination of this Indenture and the Loan Agreement and the removal or resignation of the Trustee.

**Section 8.05. Corporate Trustee Required; Eligibility.** There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, with trust and fiduciary powers in the State, and having a combined capital and surplus of at least \$75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 8.05, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with this Section, it shall resign immediately in the manner and with the effect specified in this Article.

#### **Section 8.06. Resignation and Removal of Trustee.**

(a) The Trustee may resign at any time by giving written notice thereof to the Authority, the Public University and each Owner of Notes Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Public University, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority, and the Trustee signed by the Owners of a

majority in principal amount of the Outstanding Notes. In addition, the Authority at the written direction of the Public University (so long as the Public University is not in default under this Indenture and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason. The Authority, the Public University or any Noteowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time:

(i) the Trustee shall cease to be eligible under Section 8.05 hereof and shall fail to resign after written request therefor by the Authority, the Public University, or by any such Noteowner; or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Trustee, or (b) the Public University or any Noteowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Notes as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Trustee under Section 8.07 hereof.

**Section 8.07. Appointment of Successor Trustee.** If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the Public University (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Loan Agreement has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Notes Outstanding (if an Event of Default hereunder or under the Loan Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public University and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Pledged Property shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Noteowners. If a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the

retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Loan Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Notes Outstanding may appoint, or the Authority, the Public University or the retiring Trustee, at the expense of the Public University, or any Noteowner may petition any court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section 8.07 shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article VIII.

**Section 8.08. Acceptance of Appointment by Successor.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the Public University and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of the Authority, the Public University or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.04 hereof and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

**Section 8.09. Merger, Consolidation and Succession to Business.** Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such

authentication and deliver such Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

#### **Section 8.10. Reserved.**

**Section 8.11. Designation of Paying Agents.** The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Notes. The Authority, or the Public University on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Notes, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Notes, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

**Section 8.12. Advances by Trustee.** If the Public University shall fail to make any payment or perform any of its covenants in the Loan Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Public University. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public University upon demand and such advances shall be secured under this Indenture prior to the Note Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the Public University from any default hereunder.

**Section 8.13. Notice to Rating Agencies.** The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Trustee hereunder, (b) the date that no Notes remain Outstanding, (c) the Trustee becomes aware of any material change made in this Indenture or the Loan Agreement, (d) any redemption of Notes pursuant to this Indenture, or (e) the acceleration of the Notes in accordance with Article VII hereof.

**Section 8.14. L. 2005, c. 92 Covenant.** In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

**Section 8.15. Compliance with L. 2005, c. 51.** The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Notes. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a

contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

**Section 8.16. Compliance with L. 2005, c. 271 Reporting Requirements.** The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

## ARTICLE IX

### SUPPLEMENTAL INDENTURES

**Section 9.01. Supplemental Indentures Not Requiring Consent of Noteowners.** The Authority and the Trustee may from time to time, without the consent of or notice to any of the Noteowners, enter into one or more Supplemental Indentures, for anyone or more of the following purposes:

- (a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of Notes or the issuance of other evidences of indebtedness; or
- (b) To add to the covenants and agreements of the Authority in this Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or
- (c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or
- (d) To authorize Notes of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Authority Representative the power to specify and determine, the matters and things referred to in Sections 2.02 and 2.05 hereof and also any other matters and things relative to such Notes (including any Series thereof) which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Notes (including any Series thereof); or
- (e) Notwithstanding any other provisions of this Indenture, to authorize a Series of Notes having terms and provisions different than the terms and provisions theretofore provided in this Indenture including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Notes; provided that the authorization and issuance of such Series of Notes shall not in any manner impair or adversely affect the rights or security of the Noteholders under this Indenture; or
- (f) To authorize, in compliance with all applicable law, Notes of each Series to be issued in the form of fully registered Notes issued and held in certificated or book-entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Notes, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Notes, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Indenture relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Notes as are appropriate or necessary; or

(g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Revenues or of any other moneys, securities or Funds; or

(h) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; or

(i) To modify any of the provisions of this Indenture in any other respect whatsoever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Notes of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding; or (ii) if such modification shall become effective prior to the authentication and delivery of the first Note authorized to be issued pursuant to this Indenture, each Supplemental Resolution shall be specifically referred to in the text of all Notes authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Notes issued in exchange therefor or in place thereof;

(j) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture; or

(k) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect.

**Section 9.02. Supplemental Indentures Requiring Consent of Noteowners.** Subject to Section 12.01 hereof, with the consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section 9.02 contained shall permit or be construed as permitting without the consent of the Owners of all of the Notes then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Note, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Note, or

(c) a privilege or priority of any Note or Notes over any other Note or Notes, or

(d) a reduction in the aggregate principal amount of Notes the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.02, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each

Noteowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Noteowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Notes Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

**Section 9.03. Public University's Consent to Supplemental Indentures.** Anything herein to the contrary notwithstanding, so long as the Public University is not in default under the Loan Agreement, a Supplemental Indenture under this Article IX shall not become effective unless and until the Public University shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Public University at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

**Section 9.04. Opinion of Bond Counsel.** Notwithstanding anything to the contrary in Sections 9.01 or 9.02 hereof, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 9.01 or 9.02 hereof, there shall be delivered to the Authority and the Trustee an opinion of Bond Counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article IX and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority.

**ARTICLE X**  
**LOAN TO THE PUBLIC UNIVERSITY**

**Section 10.01. Terms and Conditions for Loan.** The Authority shall loan the proceeds of the Notes (including the 2021 Notes) to the Public University and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article X.

**Section 10.02. Form of Loan Agreement.** The Loan Agreement shall be in such form as an Authorized Authority Representative determines, with such changes therein as shall be approved by the Authority, as conclusively evidenced by the execution thereof by an Authorized Authority Representative.

**Section 10.03. Delivery of Documents in Connection With the Loan Agreement.** Prior to or at the execution and delivery of the Loan Agreement and the closing of a Series of Notes, the Authority and the Trustee shall have received the following documents:

- (a) an opinion of Counsel to the Public University to the effect that the Loan Agreement was duly authorized by the Public University;
- (b) a counterpart of the Loan Agreement executed by the Public University;
- (c) certified copies of the authorizing proceedings of the Public University for the execution and delivery of the Loan Agreement; and
- (d) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Notes.

All opinions and certificates required under this Section 10.03 shall be dated the closing date of such Series of Notes and the opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Notes.

**Section 10.04. Default Under the Loan Agreement.** The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority and the Authorized Public University Representative of the Trustee's failure to receive a Loan Payment from the Public University and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

Notwithstanding the above, the failure of the Trustee to receive any Loan Payment from the Public University on any Loan Payment Date shall not cause an Event of Default for the purposes of Article VII of this Indenture or the acceleration of any of the Notes then Outstanding.

**Section 10.05. Trustee's Obligations.** Subject to the provisions of Section 8.01 and Section 8.02 hereof, the Trustee shall diligently enforce, and take all reasonable steps, actions

and proceedings necessary for the enforcement of, all terms and conditions of the Loan Agreement including, without limitation, the prompt payment of all Loan Payments and Authority Administrative Expenses, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the Public University under the Loan Agreement and shall at all times, to the extent permitted by State law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the same; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Loan Agreement, subject to the provisions of this Section 10.05.

**Section 10.06. Termination of the Loan Agreement.** Upon the payment in full by the Public University of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Loan Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

**Section 10.07. Files.** After the execution and delivery of the Loan Agreement, the Trustee shall retain all the documents received by it pursuant to this Article X in connection therewith in a file pertaining to the Loan Agreement, to which file the Trustee shall from time to time add all records and other documents pertaining to Loan Payments and other amounts received by the Trustee under the Loan Agreement and all communications from or received by the Trustee with respect to the Loan Agreement and the Public University. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority and the Public University at reasonable times and under reasonable circumstances.

**Section 10.08. Insufficiency of or Failure to Make Loan Payments.**

(a) The Loan Agreement shall provide that the Public University shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Notes on the next succeeding Interest Payment Date or the Maturity Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.

(b) In accordance with Section 4.09 hereof and subject to and after application of the provisions of Section 4.10 hereof, in the event the Public University has failed to make a Loan Payment on any Loan Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the Outstanding Notes due on the next ensuing Interest Payment Date or the Maturity Date, as applicable, the Trustee shall notify the Authority and the Authorized Public University Representative, in writing by appropriate transmission in accordance with Section 12.03 hereof, of such deficiency in accordance with the provisions of Section 4.09(a) hereof.

## ARTICLE XI

### SATISFACTION AND DISCHARGE OF INDENTURE

**Section 11.01. Notes Deemed To Be Paid.** Any Note or Notes shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall payor provide for the payment of such Note or Notes in anyone or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Note or Notes, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Note or Notes; or

(c) by depositing with the Trustee, in trust: (i) cash or noncallable Government Obligations or both in such amounts and with maturities which will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Note or Notes at or before their respective maturity dates and to pay the interest thereon as it comes due; and (ii) in the case of Notes which do not mature or will not be redeemed within 90 days of the deposit referred to in clause (i) above, a verification report of a nationally recognized Independent Certified Public Accountant as to the adequacy of the trust funds to fully pay the Notes deemed to be paid. For purposes of this subsection (c), Government Obligations shall mean and include only those obligations specified in clauses (a) and (b) of the definition thereof, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Notes which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Notes as aforesaid until, as to all such Notes which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III hereof or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section 11.01, all moneys or Government Obligations set aside and held in trust pursuant to this Section 11.01 for the payment of Notes (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Notes and applied to and used solely for the payment of the particular Notes (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

**Section 11.02. Satisfaction and Discharge of the Indenture.** If the principal of, redemption premium, if any, and interest on all of the Notes shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 11.01 hereof, and provision shall also be made for paying all other sums payable hereunder, any Rebatable Arbitrage to the United States of America and the fees, charges and expenses of the

Authority, the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Notes, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee, upon Written Request of the Public University, and upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority and the Public University such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Public University or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Notes.

Upon provision for the payment of all Outstanding Notes in accordance with this Section 11.02, and compliance with the other payment requirements of Section 11.01 hereof, and subject to this Section 11.02, the Indenture may be discharged in accordance with the provisions hereof, and the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Notes Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Notes, which are Tax-Exempt Obligations, is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of Bond Counsel.

**Section 11.03. Payment of Notes After Discharge.** Notwithstanding the discharge of the lien hereof as in this Article XI provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Notes and the registration, transfer, exchange and replacement of Notes as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.* Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 11.03 shall be held uninvested and without any liability for interest.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

**Section 12.01. Consents and Other Instruments by Noteowners.** Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Note) to be signed and executed by the Noteowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Noteowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Notes, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Notes and the amount or amounts, numbers and other identification of such Notes, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Notes owned by the Public University shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Notes so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Public University.

**Section 12.02. Limitation of Rights Under this Indenture.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Notes is intended or shall be construed to give any Person other than the parties hereto, the Paying Agent, the Bond Registrar and the Owners of the Notes, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar and the Owners of the Notes as herein provided.

**Section 12.03 Notices.** Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to or filed with the Authority, the Trustee or the Public University if the same shall be duly mailed

by certified or registered mail addressed (provided that notice to the Trustee shall be effective only upon receipt):

To the Authority at:

The Gloucester County Improvement Authority  
c/o Executive Director  
109 Budd Boulevard  
Woodbury, New Jersey 08096

To the Trustee at:

TD Bank, National Association  
2059 Springdale Road  
Cherry Hill, New Jersey 08003  
Attention: Corporate Trust Department

To the Public University at:

Rowan University  
201 Mullica Hill Road  
Glassboro, New Jersey 08028-1701  
Attention: Senior Vice President for Finance and Chief Financial Officer

All notices, demands, directions and requests to the Trustee shall be in writing unless expressly stated herein.

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Indenture to be given or filed with the Noteowners if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Noteowners at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Noteowner shall affect the sufficiency of such notice with respect to other Noteowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

The Trustee is hereby instructed to give notice to any Rating Agency then maintaining a rating on the Notes if: (i) the Trustee resigns or is removed, or a new Trustee is appointed; (ii) there is a call for the redemption of all Notes; (iii) all of the Notes are defeased in accordance with Article XI hereof; or (iv) any amendment is made to this Indenture or the Loan Agreement.

**Section 12.04. Suspension of Mail Service.** If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

**Section 12.05. Immunity of Officers, Employees and Members of Authority.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Notes or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Notes.

**Section 12.06. Limitation on Authority Obligations.** Any other term or provision in this Indenture, the Loan Agreement, the Tax Agreement or any other Loan Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Loan Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

- (i) Note proceeds and investments therefrom; and
- (ii) Payments derived from the Notes, the Indenture (including the Pledged Property to the extent provided in this Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Loan Agreement under certain circumstances).

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the Public University (to the limited extent as set forth in the Loan Agreement). Neither the Authority nor the Public University has any taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

- (i) depriving the Authority of any right or privilege; or
- (ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the Public University permit, suffer or allow any of the proceeds of the Notes to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

**Section 12.07. Severability.** If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of anyone or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

**Section 12.08. Execution in Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 12.09. Reserved.**

**Section 12.10. Governing Law.** This Indenture shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of laws principles.

**IN WITNESS WHEREOF**, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly Authorized Officer, all as of the day and year first above written.

**THE GLOUCESTER COUNTY IMPROVEMENT  
AUTHORITY**

By: \_\_\_\_\_  
**CHARLES FENTRESS, Chairman**

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
**CATHERINE M. ALESSI, Vice President**

Acknowledged and Accepted:

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
**JOSEPH F. SCULLY, JR.,**  
Senior Vice President for Finance  
and Chief Financial Officer

**EXHIBIT "A"  
TO TRUST INDENTURE**

(FORM OF 2021 Note)

Unless this note is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any note issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

Registered  
No. R-1

Registered  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY  
LOAN REVENUE NOTES  
(ROWAN UNIVERSITY STUDENT CENTER PROJECT),  
SERIES 2021**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u>    | <u>CUSIP</u> |
|----------------------|----------------------|----------------------|--------------|
|                      | <b>March 1, 2024</b> | <b>April 7, 2021</b> |              |

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture,

[Signature Page to the Trust Indenture]

dated as of April 1, 2021 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"), by and between the Authority and TD Bank, National Association, as Trustee ("Trustee"), until said Principal Amount is paid.

**Method of Payment.** The principal of and interest on this 2021 Note shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this 2021 Note shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this 2021 Note at the Principal Office of the Trustee. The interest payable on this 2021 Note on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority ("Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date and shall be paid: (i) by check or draft of the Trustee mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee; or (ii) by electronic transfer in immediately available funds, if the 2021 Notes are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of 2021 Notes in the aggregate principal amount of at least \$1,000,000 such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

**Authorization.** This 2021 Note is one of a duly authorized series of bonds of the Authority designated "The Gloucester County Improvement Authority Loan Revenue Notes (Rowan University Student Center Project), Series 2021" in the aggregate principal amount of \$24,500,000 ("2021 Notes"), issued for the purpose of providing funds to Rowan University (herein called the "Public University"), to undertake a project consisting of: (i) construction of an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto; (ii) capitalized interest on the 2021 Notes, if any; and (iii) the payment of costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2021 Notes, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the County Improvement Authorities Law ("Act"), and pursuant to proceedings duly had by the Authority. The funding will be made pursuant to the Loan and Security Agreement, dated as of April 1, 2021 (said Loan Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Loan Agreement"), by and between the Authority and the Public University.

**Security.** The 2021 Notes are issued under are secured and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Loan Agreement (other than its rights to payment of fees and expenses and indemnification) are pledged and

assigned by the Authority to the Trustee as security for the 2021 Notes. Reference is hereby made to the Indenture for a description of the Pledged Property (as defined thereunder) and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the 2021 Notes, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the 2021 Notes, and a description of the terms upon which the 2021 Notes are issued and secured, upon which provision for payment of the 2021 Notes or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the 2021 Notes. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the 2021 Notes are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "Revenue Fund" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

**Interest Rates.** The 2021 Notes shall bear interest from the most recent Interest Payment Date next preceding the date of such 2021 Notes to which interest has been paid, unless the date of such 2021 Note is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such 2021 Note is prior to the first Interest Payment Date of the 2021 Notes, in which case interest shall be payable from the Dated Date of the 2021 Notes, or unless the date of such 2021 Note is between a record date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The amount of interest payable with respect to any 2021 Notes on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The 2021 Notes shall be subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Note Loan Agreement, on or after March 1, 2022 in whole or in part at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2021 Notes to be redeemed, plus accrued interest to the redemption date.

**Limitation on Rights; Acceleration; Modifications.** The Owner of this 2021 Note shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2021 Notes issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the 2021 Notes or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

**Special and Limited Obligations.** Notwithstanding anything to the contrary in the Indenture, the 2021 Notes shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property)

and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the 2021 Notes and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the 2021 Notes, but all 2021 Notes shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement as authorized in the Act. The Authority has no taxing power.

**No Recourse.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the 2021 Notes or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the 2021 Notes.

**Authentication.** This 2021 Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

**IT IS HEREBY CERTIFIED AND DECLARED** that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this 2021 Note do exist, have happened and have been performed in due time, form and manner as required by law.

**IN WITNESS WHEREOF, THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY** has caused this 2021 Note to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chair and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This Note is one of the 2021 Notes described in the within mentioned Indenture.

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication:  
April 7, 2021

**(FORM OF ASSIGNMENT)**

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification No.) ("Transferee") the within 2021 Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within 2021 Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_ Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new Note will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within 2021 Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer identification number of the Transferee is supplied. If the Transferee is a trust, attach names and Social Security or Federal Employer Identification numbers of the settler or beneficiaries, the date of the trust and the name of the trustee.

**ABBREVIATIONS**

The following abbreviations, when used in the description on the face of the within 2021 Note, shall be construed as though they were written out in full according to applicable laws and regulations.

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with the right of survivorship and not as tenants in common  
UNIFORM GIFT MIN ACT (Cus) - Custodian Under Uniform Gifts to Minors Act

Additional abbreviations may also be used though not in the above list.

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## TRUST INDENTURE

This **FIRST SUPPLEMENTAL TRUST INDENTURE** ("First Supplemental Indenture"), dated as of February 1, 2024, between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey ("Authority"), and **TD BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trustee"), which First Supplemental Indenture amends and supplements that certain Trust Indenture, dated as of April 1, 2021 ("Original Indenture", and, as amended and supplemented by this First Supplemental Indenture, the "Indenture"), between the Authority and the Trustee,

### WITNESSETH:

**WHEREAS**, the Authority has been duly created by a resolution of the Board of County Commissioners (formerly the Board of Chosen Freeholders) of the County of Gloucester, New Jersey ("County") as a public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereto and supplemental thereto (*N.J.S.A. 40:37A-44 et seq.*) ("Act"); and

**WHEREAS**, Rowan University ("Rowan" or "Public University") is a leading public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* ("Rowan Act"), with its main campus located in the Borough of Glassboro in the County; and

**WHEREAS**, Rowan has heretofore established a comprehensive facilities and operations master plan, which master plan is periodically updated to reflect the needs for the continued growth of Rowan and the upkeep of Rowan facilities (as updated, the "Master Plan"); and

**WHEREAS**, in connection with the implementation of the Master Plan, Rowan has established its commitment to, among other things, the continued development and upkeep of its educational and/or non-educational facilities within the County; and

**WHEREAS**, in furtherance of its Master Plan, Rowan has heretofore determined to construct an approximately 30,000 square foot expansion of its Chamberlain Student Center, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto (collectively, the "Facilities Project"); and

**WHEREAS**, the Authority is authorized, pursuant to the Act, to provide financing for the provision of "public facilities" (as defined in the Act), which include the Facilities Project, for use by the State of New Jersey ("State"), the County or any beneficiary county, or any municipality in any such county, or any two or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including Rowan, for their respective governmental purposes; and

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## FIRST SUPPLEMENTAL TRUST INDENTURE

between

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

and

TD BANK, NATIONAL ASSOCIATION, as Trustee

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Dated as of February 1, 2024

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Relating to

\$25,605,000

The Gloucester County Improvement Authority  
Loan Revenue Notes  
(Rowan University Student Center Project), Series 2024

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**WHEREAS**, pursuant to N.J.S.A. 40:37A-55, the Authority is authorized to extend credit or make loans to any governmental unit or person, including Rowan, for the planning, design, acquisition, construction, equipping and furnishing of all or a part of a "public facility" (as defined in the Act), upon the terms and conditions that the loans be secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for the purpose by the authority, and upon such other terms and conditions as the authority shall deem reasonable; and

**WHEREAS**, pursuant to N.J.S.A. 40:37A-45(p), the Facilities Project acquired, owned or constructed by Rowan constitutes a "public facility" within the meaning of the Act and, as such, the Authority is authorized to provide financial assistance to Rowan for the purpose of financing the costs of the same; and

**WHEREAS**, Rowan and the Authority have also heretofore entered into a Project Development Agreement, dated July 14, 2014, as amended and supplemented to date (as amended and supplemented, the "Project Development Agreement"), pursuant to which the Authority has agreed to provide project development and management assistance to Rowan with respect to various projects including, among other things, the Project Facilities and to finance the costs of the same through the issuance and sale of the Authority's revenue bonds and project notes on behalf of Rowan; and

**WHEREAS**, in furtherance of thereof, on April 7, 2021, the Authority, on behalf of Rowan issued its Loan Revenue Notes (Rowan University Student Center Project), Series 2021 ("2021 Notes") in the principal amount of \$24,500,000, the proceeds of which were loaned to Rowan pursuant to and in accordance with a Loan and Security Agreement, dated as of April 1, 2021 ("Original Loan Agreement"), between the Authority and Rowan, for the purpose of temporarily financing the costs of the construction and equipping of the Project Facilities and to pay a portion of the costs of issuance incurred by the Authority and Rowan in connection with the issuance and sale of the 2021 Notes; and

**WHEREAS**, the Authority issued the 2021 Notes pursuant to the Act, a Bond Resolution adopted by the Authority on February 18, 2021, and the Original Indenture; and

**WHEREAS**, pursuant to the terms of the Original Loan Agreement, Rowan is required to make loan payments ("Loan Payments") to the Authority in an amount sufficient to pay the principal of and interest on the 2021 Notes, and certain other costs and expenses of the Authority and the Trustee, which Loan Payments constitute general corporate obligations of Rowan; and

**WHEREAS**, it is the intent of Rowan to permanently finance the costs of the Project Facilities through the issuance of one or more series of tax-exempt or taxable bonds to be sold by the Authority, on behalf of Rowan, to the United States Department of Agriculture ("USDA"), by and through the USDA's Rural Development Program ("USDA Bonds"); and

**WHEREAS**, pursuant to the USDA's program requirements, the USDA Bonds cannot be issued until certain preconditions are met in connection with the construction and completion of the Project Facilities, all as more particularly described in the USDA's Rural Development Program application and commitment (referred to as the "USDA Conditions Precedent"); and

**WHEREAS**, the 2021 Notes mature on March 1, 2024; and

**WHEREAS**, the USDA Conditions Precedent will not be fully met prior to the maturity of the 2021 Notes; and

**WHEREAS**, as a result of the foregoing, Rowan is desirous of refinancing the 2021 Notes on or before the maturity date thereof; and

**WHEREAS**, for such purpose, Rowan has made request to the Authority for the issuance by the Authority, on behalf of Rowan, of an additional series of Loan Revenue Notes in an aggregate principal amount not to exceed \$30,000,000 ("2024 Notes"), the proceeds of which will be used, together with other available funds of Rowan, to: (i) pay the principal of and interest due on the 2021 Notes on the maturity date thereof; (ii) pay capitalized interest on the 2024 Notes; and (iii) pay costs and expenses incurred by the Authority and Rowan in connection with the issuance and sale of the 2024 Notes ; and

**WHEREAS**, the Original Indenture and the Original Loan Agreement contemplate the issuance of additional notes (including the 2024 Notes) for the purposes of refinancing the 2021 Notes (or any other notes issued to refinance the 2021 Notes) upon the satisfaction of certain terms and provisions set forth therein including, but not limited to, the consent of Rowan to issue such Additional Notes and the affirmative pledge of Rowan of its general obligation credit to repay such Additional Notes; and

**WHEREAS**, in furtherance of such requirement, the Board of Trustees of Rowan has, or will prior to the issuance of the 2024 Notes, authorized and approved, among other things, the consent of Rowan for the issuance of the Additional Notes and the pledge of Rowan's general obligation credit to repay such 2024 Notes; and

**WHEREAS**, the Authority has, therefore, agreed to issue the 2024 Notes on behalf of Rowan; and

**WHEREAS**, the 2024 Notes are authorized by and shall be issued pursuant to and in accordance with: (i) the Act; (ii) a Note Resolution adopted by the Authority on December 21, 2023 ("2024 Note Resolution"); and (iii) the Original Indenture, as amended and supplemented by this First Supplemental Indenture; and

**WHEREAS**, the 2024 Notes shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property including (i) the Loan Payments (subject to the rights of the Authority reserved therein) pursuant to the Original Loan Agreement, which Original Loan Agreement shall be amended and supplemented in accordance with a First Amendment to Loan Agreement, between the Authority and Rowan ("First Amendment to Loan Agreement" and, together with the Original Loan Agreement, the "Loan Agreement"); (ii) certain funds held by the Trustee under the Indenture; and (iii) income derived from the investment of such funds; and

**WHEREAS**, pursuant to the Indenture, the Authority has assigned (with certain reservations) its rights and benefits under the Loan Agreement to the Trustee as security for notes issued thereunder, which shall include the 2024 Notes; and

**WHEREAS**, the Authority desires to amend and supplement the Original Indenture in connection with the issuance of the 2024 Notes as provided herein.

**NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH THAT:**

**Section 1. Definitions.**

(a) Capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed thereto in the Original Indenture.

(b) Section 1.01 of the Original Indenture is amended by substituting the following definitions of terms for the definitions currently in such Section:

**"Authorized Denominations"** shall mean: (i) with respect to the 2021 Notes and the 2024 Notes, \$100,000 or any integral multiple of \$5,000; and (ii) and series of Additional Notes, an amount as shall be set forth in a Supplemental Indenture.

**"Bond Year"** shall mean, with respect to the 2021 Notes and the 2024 Notes, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the 2021 Notes or the 2024 Notes, respectively, or the date that is five (5) years after the Issue Date in the case of the 2021 Notes or the 2024 Notes, as the case may be, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2021 Notes and the 2024 Notes, as the case may be. For each Series of Additional Notes, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Additional Notes is issued.

**"Debt Service"** for any period shall mean, as of any date of calculation, with respect to a particular Series of Notes, including the 2021 Notes, the 2024 Notes and any Series of Additional Notes, an amount equal to: (i) in each period up to and including the final Interest Payment Date prior to the Maturity Date, the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund; and (ii) in the final period ending on the Maturity Date, (a) the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund, and (b) the principal amount of such Series of Notes. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"Indenture"** shall mean the Trust Indenture, dated as of April 1, 2021, as amended any supplemented by the First Supplemental Indenture, each between the Authority and the Trustee, as may be further amended, modified and supplemented from time to time in accordance with the provisions hereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2021 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$30,625, in connection with the sale and award of the 2021 Notes; (ii) the 2024 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$32,006.25, in connection with the sale and award of the 2024 Notes; and (iii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Notes or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Additional Notes.

**"Interest Payment Date"** shall mean: (i) with respect to the 2021 Notes, each March 1 and September 1 of each year, commencing September 1, 2021 up to and including the Maturity Date; (ii) with respect to the 2024 Notes, the Maturity Date; and (iii) such other date or dates as shall be established by a Supplemental Indenture authorizing a Series of Additional Notes. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Investment Securities"** shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically N.J.S.A. 40A:5-14 (legal depositories for public moneys) and N.J.S.A. 40A:5-15.1 (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of execution of this Indenture, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to N.J.S.A. 40A:5-14:

a. The public depositories (as defined in N.J.S.A. 17:9-41) designated by the Authority in an approved cash management plan shall be authorized pursuant to N.J.S.A. 40A:5-14(i) to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.

b. Pursuant to *N.J.S.A. 40A:5-15.1*, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (*N.J.S.A. 52:18A-90.4*); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection b. hereof or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*);

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than thirty (30) days;

(d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A. 17:9-41*); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed

c. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

d. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

e. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. s.80a-1 *et seq.*, and operated in accordance with 17 C.F.R. s.270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 C.F.R. s.270.2a-7;

(b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof; and

(c) which is rated by a nationally recognized statistical rating organization.

- (2) a "local government investment pool" means an investment pool:
- (a) which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;
  - (b) which is rated in the highest category by a nationally recognized statistical rating organization;
  - (c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;
  - (d) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*) that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;
  - (e) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;
  - (f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and
  - (g) which does not impose liquidity fees or redemption gates.
- g. Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c.198 (*N.J.S.A. 40A:11-1 et seq.*).
- "Issue Date"** shall mean, with respect to: (i) the 2021 Notes, April 7, 2021; (ii) the 2024 Notes, February 29, 2024; and (iii) any Series of Additional Notes, the date on which the Trustee authenticates the Series of Additional Notes and on which such Series of Additional Notes is delivered to the purchasers thereof upon original issuance.
- "Loan"** shall mean: (i) with respect to the 2021 Notes, the loan made by the Authority to the Public University in the aggregate principal amount of \$24,500,000 to originally finance the aggregate Costs of the Project under the terms and conditions set forth in the Original Loan Agreement; (ii) with respect to the 2024 Notes, the Loan made by the Authority to the Public University in the aggregate principal amount of \$25,605,000 to refinance the Costs of the Project under the terms and conditions of the Original Loan Agreement as amended and supplemented by the First Amendment to Loan Agreement; and (iii) with respect to any Additional Notes issued hereunder, the loan made by the Authority to the Public University under the terms and conditions of the Loan Agreement as then amended and supplemented.
- "Loan Agreement"** shall mean the Loan and Security Agreement, dated as of April 1, 2021, as amended by the First Amendment to Loan Agreement, each by and between the Authority and the Public University, together with any further supplements and amendments thereto, relating to the Project to be financed or refinanced with the proceeds of the Loan.
- "Loan Payment"** shall mean: (i) the sum of money representing principal and interest necessary to amortize Debt Service on the 2021 Notes payable by the Public University on each Loan Payment Date, as set forth in Exhibit "A" to the Original Loan Agreement, as described in Section 5.02(A) of the Original Loan Agreement and redemption premium, if any, to the extent required to redeem the 2021 Notes pursuant to Article III of this Indenture; (ii) the sum of money representing principal and interest necessary to amortize Debt Service on the 2024 Notes payable by the Public University on the Loan Payment Date, as set forth in Exhibit "A" to the First Amendment to Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the 2024 Notes pursuant to Article III of this Indenture; and (iii) as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.
- "Loan Payment Date"** shall mean: (i) with respect to the 2021 Notes, thirty (30) days prior to the applicable Interest Payment Date or Maturity Date, as the case may be; (ii) with respect to the 2024 Notes, thirty (30) days prior to the Maturity Date; and (iii) such other dates determined in accordance with the Loan

Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

"**Maturity Date**" shall mean: (i) with respect to the 2021 Notes, March 1, 2024, on which the principal amount of the 2021 Notes shall be due and payable by the Authority; (ii) with respect to the 2024 Notes, February 27, 2025, on which the principal of and interest on the 2024 Notes shall be due and payable by the Authority; or (iii) such other date as set forth in a Supplemental Indenture authorizing a Series of Additional Notes on which the principal amount of such Series of Notes shall be due and payable. In the event Maturity Date is not a Business Day, all amounts due on such Maturity Date shall be paid on the next succeeding Business Day.

"**Note**" or "**Notes**" shall mean: (i) the 2021 Notes issued pursuant to Sections 2.01, 2.02 and 2.03 of this Indenture to provide funds to originally finance the Project; (ii) the 2024 Notes issued pursuant to Section 2.05 of the Original Indenture and Section 2 of the First Supplemental Indenture; and (iii) each Series of Additional Notes, if any, issued pursuant to Section 2.05 of this Indenture.

"**Official Statement**" means: (i) the Official Statement of the Authority, dated March 24, 2021, prepared in connection with the offering and sale of the 2021 Notes; (ii) the Official Statement of the Authority, dated February 15, 2024, prepared in connection with the offering and sale of the 2024 Notes; and (iii) the Official Statement or Official Statements of the Authority, each dated the date of sale of each Series of Additional Notes, prepared in connection with the offering and sale of each Series of Additional Notes.

"**Project**" shall mean, collectively: (i) with respect to the 2021 Notes, (A) the Costs of the Facilities Project, (B) capitalized interest on the 2021 Notes, if any, and (C) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2021 Notes; (ii) with respect to the 2024 Notes, (A) the Costs of refinancing the Facilities Project by the payment of the principal of such 2021 Notes on the Maturity Date thereof, (B) capitalized interest on the 2024 Notes, and (C) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Notes; and (iii) with respect to each Series of Additional Notes, the purpose described in the applicable Supplemental Indenture authorizing such Additional Notes.

"**Record Date**" shall mean: (i) with respect to the 2021 Notes, the fifteenth day of the calendar month immediately preceding any Interest Payment Date or the Maturity Date; (ii) with respect to the 2024 Notes, the fifteenth date of the calendar month immediately preceding the Maturity Date; or (iii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

"**Related Document**" means this Indenture, the Loan Agreement, or any other transaction document, including any underlying security agreement related to the 2021 Notes, the 2024 Notes and any Series of Additional Notes.

"**Underwriter**" shall mean: (i) with respect to the 2021 Notes, the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2021 Notes; (ii) with respect to the 2024 Notes, the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2024 Notes; and (iii) with respect to each Series of Additional Notes, the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of such Additional Notes.

(c) Section 1.01 of the Original Indenture is amended by adding the following definitions to the terms in such Section:

"**First Amendment to Loan Agreement**" means the First Amendment to Loan and Security Agreement, dated as of February 1, 2024, between the Authority and the Public University, which amends and supplements the Original Loan Agreement.

"**First Supplemental Indenture**" means the First Supplemental Trust Indenture, dated as of February 1, 2024, between the Authority and the Trustee, which amends and supplements the Original Indenture.

"**Original Indenture**" means the Trust Indenture, dated as of April 1, 2021, between the Authority and the Trustee.

"**Original Loan Agreement**" means the Loan and Security Agreement, dated as of April 1, 2021, between the Authority and the Public University.

"**2024 Note Resolution**" means the Note Resolution of the Authority duly adopted on December 21, 2023 authorizing, among other things, the issuance of the 2024 Notes.

"**2024 Notes**" means the Authority's Loan Revenue Notes, dated February 29, 2024, issued in the aggregate principal amount of \$25,605,000.

## Section 2. Matters Concerning the 2024 Notes.

(a) In accordance with the Act, the 2024 Note Resolution and pursuant to the provisions of the Original Indenture and this First Supplemental Indenture, the 2024 Notes are hereby authorized to be issued and secured under the Indenture as follows:

(i) the 2024 Notes are entitled to the benefit, protection and security of the provisions of the Indenture. The 2024 Notes shall be designated as and shall be

distinguished from the Notes of all other Series by the title "Loan Revenue Notes (Rowan University Student Center Project), Series 2024"; and

(ii) The 2024 Notes shall be issued in an principal amount of \$25,605,000, shall bear interest at the rate of 4.00% and shall mature on February 27, 2025 (subject to prior redemption as provided in Section 3 of this First Supplemental Indenture).

(iii) Principal of and interest on the 2024 Notes shall be payable on the Maturity Date thereof.

(iv) The 2024 Notes shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the 2024 Notes shall be lettered and numbered as PN-1. Subject to the provisions of the Original Indenture, the 2024 Notes and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in Exhibit "A" hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by the Original Indenture or this First Supplemental Indenture. The 2024 Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The net proceeds of the 2024 Notes in the amount of \$25,666,364.36 shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

(i) an amount equal to \$1,018,510.00, representing capitalized interest accrued on the Loan shall be deposited into the 2024 Capitalized Interest Subaccount of the 2024 Account of the Debt Service Fund established by this First Supplemental Indenture;

(ii) an amount equal to \$147,854.36 for the payment of the costs of issuance related to the issuance and sale of the 2024 Notes, including the Initial Authority Financing Fee, shall be deposited in the 2024 Account established by this First Supplemental Indenture in the Operating Fund and paid in accordance with Section 4.06(b) of the Original Indenture; and

(iii) the balance of proceeds of the Loan in the amount of \$24,500,000.00 shall be deposited into the 2021 Account in the Debt Service Fund for the payment of the principal of the 2021 Notes on the Maturity Date thereof in accordance with Section 4.09(d) of the Original Indenture.

(c) Sections 2.01, 2.04, 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, 2.12, 2.13, 2.14, 3.01, 3.03, 3.04, Article IV (excepted as amended and supplemented by this First Supplemental Indenture), Article V, Article VI, Article VII, Article VIII, Article IX, Article X, Article XI, Article XII (except as amended and supplemented by this First Supplemental Indenture) of the Original Indenture shall apply to the 2024 Notes to the same extent they

apply to the 2021 Notes and any other Additional Notes, as applicable, issued under the Indenture as if such Sections were restated here in their entirieties with such Sections and Articles inclusive of the 2024 Notes and the applicable changes related to the 2024 Notes.

(d) The 2024 Notes shall be executed substantially in the form and manner set forth in Section 2.08 of the Original Indenture and furnished to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee there shall be filed or deposited with the Trustee the following:

(i) An opinion of Bond Counsel (dated the date the 2024 Notes addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, *inter alia*, that, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy, (A) the Authority has the right and the power under the Act, as amended to the date of such opinion, the Original Indenture and this First Supplemental Indenture have each been duly and lawfully adopted by the Authority, each is in full force and effect, is valid and binding upon the Authority and each is enforceable in accordance with its respective terms and no other authorization for the execution and delivery of the Original Indenture or the First Supplemental Indenture is required; (B) the Indenture creates the valid pledge that it purports to create on the Pledged Property; and (C) the 2024 Notes are valid, binding, special and limited obligations of the Authority as provided in the Indenture, enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of the Indenture and of the Act, as amended to the date of such opinion, and the 2024 Notes have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;

(ii) A written order as to the delivery of the 2024 Notes signed by an Authorized Authority Representative, which order shall (A) direct the application of the proceeds of the 2024 Notes, and (B) set forth the maturity schedule for said 2024 Notes and the interest rate or rates payable with respect thereto;

(iii) A copy, duly certified by an Authorized Authority Representative, of the 2024 Note Resolution authorizing, *inter alia*, the execution of this First Supplemental Indenture, the First Amendment to Loan Agreement, the Continuing Disclosure Agreement and the bond purchase contract with the Underwriter;

(iv) Fully executed copies of the Original Loan Agreement and the First Amendment to Loan Agreement;

(v) Fully executed copies of the Original Indenture and this First Supplemental Indenture;

(vi) Certified copies of any resolutions of the Public University authorizing and approving, *inter alia*, the execution and delivery of the Loan Agreement, the First Amendment to Loan Agreement, the Continuing Disclosure

Agreement and the Tax Agreement, and pledging the general obligation credit of the Public University to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of the 2024 Notes;

(vii) A fully executed copy of the bond purchase contract for the 2024 Notes executed by the Authority and the Underwriter thereof;

(viii) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the 2024 Notes;

(ix) A certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(x) A certificate of an Authorized Public University Representative stating that the Public University is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Loan Agreement;

(xi) An Opinion of Counsel to the Public University (dated the date the 2024 Notes are initially issued) to the effect that the Loan Agreement (or any amendment or supplement thereto) has been duly and validly authorized, is in full force and effect on the date of issuance of the Notes and is enforceable against the Public University in accordance with its terms, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and

(xii) An opinion of Bond Counsel, dated on or before the Closing Date, in satisfaction of the requirements of Section 9.04 of the Original Indenture with respect to the execution and delivery of the First Supplemental Indenture and such other matters as set forth therein;

(xiii) Such further documents, moneys and securities as are required by the provisions of Section 2.05 of the Original Indenture or this First Supplemental Indenture.

(e) When the documents specified in subsection (d) shall have been filed with the Trustee, and when the 2024 Notes shall have been executed and authenticated as required by this First Supplemental Indenture, the Trustee shall deliver the 2024 Notes to or upon the order of the Underwriter thereof, but only upon payment to the Trustee of the purchase price of the 2024 Notes as specified in the request and authorization by the Authority. The net proceeds of the sale of the 2024 Notes shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Section 2(b) of this First Supplemental Indenture.

**Section 3. Redemption of 2024 Notes.** The 2024 Notes shall be subject to optional redemption prior to maturity at the option of the Authority, to be exercised upon receipt of

written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after December 1, 2024 in whole or in part at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Notes to be redeemed, plus accrued interest to the redemption date

**Section 4. Establishment of Accounts.** The Trustee is hereby directed to establish, in connection with the issuance of the 2024 Notes: (i) a "2024 Account" in the Revenue Fund to be held by the Trustee on behalf of the Authority and applied in accordance with Section 4.05 of the Original Indenture; (ii) a "2024 Account" in the Operating Fund to be held by the Trustee on behalf of the Authority and applied in accordance with Section 2(b)(ii) of this First Supplemental Indenture and Section 4.06(b) of the Original Indenture; (iii) a "2024 Account" in the Proceeds Funds to be held by the Trustee on behalf of the Authority and applied in accordance with Section 4.08 of the Original Indenture; (iv) a "2024 Account", and a "2024 Capitalized Interest Subaccount" thereof, in the Debt Service Fund to be held by the Trustee on behalf of the Authority and applied in accordance with Section 2(b)(i) of this First Supplemental Indenture and Sections 4.08 and 4.09 of the Original Indenture; (v) a "2024 Account" in the Debt Retirement Fund to be held by the Trustee on behalf of the Authority and applied in accordance with Section 4.10 of the Original Indenture; and (vi) a "2024 Account" in the Rebate Fund to be held by the Trustee on behalf of the Authority and applied in accordance with Section 4.12 of the Original Indenture.

**Section 5. Amendment of Original Indenture.**

(a) Subsections (b) through (e) of Section 4.03 of the Original Indenture are hereby amended and restated to provide as follows:

"(a) There shall be paid into the 2021 Account of the Project Fund: (i) the amounts required to be so paid by the provisions of this Indenture, including any proceeds from the Loan in accordance with Section 2.03(b) hereof; (ii) at the option of the Public University, any Proceeds received with respect to the Facilities Project pursuant to Sections 7.06 and 7.07 of the Loan Agreement, (iii) at the option of the Public University, amounts received from the Public University pursuant to Section 4.11 of the Loan Agreement and subsection (f) of this Section 4.03, (iv) at the option of the Public University, amounts received from the Public University from the conveyance or exchange of facilities and/or equipment previously acquired with the proceeds of the Loan and applied pursuant to Section 6.06(B) of the Loan Agreement, and (v) at the option of the Public University, any moneys received by the Authority or the Public University for or in connection with the Facilities Project from any other source, unless required to be otherwise applied in accordance with this Indenture. Any amounts deposited in the 2021 Account shall be applied in the following order and priority: (A) to pay the Costs of the Facilities Project or to reimburse the Public University for any Costs of the Facilities Project paid by it in accordance with a reimbursement resolution adopted by the Public University, and (B) to the extent not otherwise utilized, moneys in the 2021 Account in the Project Fund shall be transferred to the 2021 Account (if the 2021 Notes are then outstanding), or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable, or the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding)

outstanding) in the Debt Retirement Fund, as applicable, and applied by the Trustee in accordance with subsection (d) of this Section 4.03.

(c) The Authority shall authorize the Trustee to make payments from the 2021 Account in the Project Fund for the Cost of the Facilities Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (c). Before any such payment shall be made, there shall be filed by the Public University with the Trustee a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit "B" to the Loan Agreement, signed by an Authorized Public University Representative, stating in respect of each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the 2021 Account in the Project Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Public University for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Public University; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or 100% of the payment previously made by the Public University; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and is a proper charge against the 2021 Account in the Project Fund, and has not been the basis of any previously paid withdrawal or requisition; (vii) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with, if any; (viii) if such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, that the amount to be paid does not exceed the actual cost thereof to the Public University; (ix) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Indenture and everything required to be performed by the Public University has been performed; (x) the Public University has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons, firms or corporations named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

(d) The completion of the Facilities Project by the Public University shall be evidenced by a certificate or certificates signed by an Authorized Public University Representative which shall be in substantially the form set forth in

Exhibit "C" to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating: (i) that such Facilities Project is complete or has been substantially completed; (ii) the date of completion of the Facilities Project; (iii) the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the Facilities Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the Facilities Project is an authorized "public facility" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the Facilities Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2021 Account in the Project Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized Public University Representative (a copy of which Completion Certificate shall also be provided by the Public University to the Authority), in either: (i) the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (of the 2024 Notes are then outstanding) in the Debt Retirement Fund, as applicable, for application to the retirement of the 2021 Notes or the 2024 Notes, as applicable, by purchase or redemption; or (ii) the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the Facilities Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized Public University Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

(e) Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the Facilities Project or its surety due and owing to the Public University pursuant to Section 4.10 of the Loan Agreement shall be paid to the Trustee for deposit in the 2021 Account in the Project Fund (in accordance with written instructions from the Authority as directed in writing by the Public University) to complete the Facilities Project. Any such moneys not necessary to complete the Facilities Project or not so applied, as stated in a certificate executed by an Authorized Public University Representative delivered to the Trustee, shall be transferred by the Trustee to the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund and applied as a credit toward the Public University's Loan Payment obligations with respect to the 2021 Notes (if the 2021 Notes are then outstanding) or the 2024 Notes (if the 2024 Notes are then

outstanding) on the next succeeding Loan Payment Date, in accordance with Section 4.08(b) and (c) hereof."

(b) Subsection (a)(ii) of Section 4.07 of the Original Indenture is hereby amended and restated to provide as follows:

"(ii) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(B) of the Loan Agreement shall immediately be deposited in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable, and applied in accordance with the provisions of Section 4.09 hereof;

(b) Subsections (a) through (d) of Section 4.08 of the Original Indenture are hereby amended and restated to provide as follows:

(a) Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 4.03(e) hereof and not necessary to complete the Facilities Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized Public University Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2021 Account in the Project Fund to the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable, and applied as a credit toward the Public University's Loan Payment obligations pursuant to subsections (b) and (c) below.

(b) Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 4.10 of the Loan Agreement and deposited in the 2021 Account in the Project Fund in accordance with Section 4.03(e) hereof and not necessary to complete the Facilities Project or not otherwise applied to complete the Facilities Project shall be transferred by the Trustee to the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable. Proceeds on deposit in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable, resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University on each Loan Payment Date for the payment of Debt Service on the 2021 Notes (if the 2021 Notes are then outstanding) or the 2024 Notes (if the 2024 Notes are then outstanding) by the transfer of such proceeds to the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable, as set forth in a certificate of an Authorized Public University Representative filed with the Trustee at the time of the deposit of the proceeds into the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable.

(c) To the extent moneys in the 2021 Account or the 2024 Account in the Debt Service Fund (other than moneys deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account of the Debt Service Fund or moneys deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account of the Debt Service Fund) are sufficient to satisfy the amount of Loan Payments due and owing by the Public University for such Bond Year, any such proceeds on deposit in the 2021 Account or the 2024 Account in the Proceeds Fund, as applicable, or any other Revenues deposited therein shall remain in said 2021 Account or the 2024 Account in the Proceeds Fund and shall be transferred thereafter into the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable, on each Loan Payment Date for the payment of Debt Service on the 2021 Notes (if the 2021 Notes are then outstanding) or the 2024 Notes (if the 2024 Notes are then outstanding) until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the Public University in any Bond Year. Any such proceeds or any other Revenues deposited in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable, shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel.

(d) To the extent moneys in the 2021 Capitalized Interest Subaccount Account of the 2021 Account of the Debt Service Fund or in the 2024 Capitalized Interest Subaccount Account of the 2024 Account of the Debt Service Fund, respectively, are transferred to the Proceeds Fund in accordance with Section 4.09(g) hereof, such moneys shall be deposited in a separate Account created therein referred to as the "2021 Capitalized Interest Account of the Proceeds Fund" or the "2024 Capitalized Interest Account of the Proceeds Fund", as the case may be, and shall, thereafter, be utilized to pay interest on the 2021 Notes on the next ensuing Interest Payment Date or to pay interest on the 2024 Notes on the Maturity Date, as the case may be. The application of such monies deposited therein in accordance herewith shall be credited toward (i) with respect to the 2021 Capitalized Interest Account, the Loan Payments due and owing from the Public University in any Bond Year and shall be transferred to the 2021 Account of the Debt Service Fund on each Interest Payment Date for the payment of interest due on the 2021 Notes through and including March 1, 2024 or until such moneys are exhausted, whichever is earlier, or (ii) with respect to the 2024 Capitalized Interest Account, the Loan Payments due and owing from the Public University on the Maturity Date, or until such moneys are exhausted, whichever is earlier. Any such monies deposited in the 2021 Capitalized Interest Account or the 2024 Capitalized Interest Account of the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized Public University Representative, in consultation with Bond Counsel."

(c) Subsections (e), (f) and (g) of Section 4.09 of the Original Indenture are hereby amended and restated to provide as follows:

"(e) The amount deposited in the 2021 Account in the Debt Service Fund representing capitalized interest on the 2021 Notes shall be set aside in a separate subaccount within such 2021 Account of the Debt Service Fund created herewith and referred to as the "2021 Capitalized Interest Subaccount" and applied in accordance with subsection (g) of this Section 4.09 to the payment of interest due thereon on each Interest Payment Date for the period of time specified therein. The amount deposited in the 2024 Account in the Debt Service Fund representing capitalized interest on the 2024 Notes shall be set aside in a separate subaccount within such 2024 Account of the Debt Service Fund created herewith and referred to as the "2024 Capitalized Interest Subaccount" and applied in accordance with subsection (g) of this Section 4.09 to the payment of interest due thereon on the Maturity Date.

(f) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund, as applicable, shall immediately be applied to the payment of Debt Service on the 2021 Notes or the 2024 Notes, as applicable, on the next ensuing Interest Payment Date or the Maturity Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the 2021 Notes or the 2024 Notes within thirteen (13) months of deposit, such moneys shall be transferred to the 2021 Account or the 2024 Account, as applicable, in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(c) hereof.

(g) Monies deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account in the Debt Service Fund pursuant to Section 2.03(b)(i) hereof shall be applied to the payment of interest due on the 2021 Notes on the next ensuing Interest Payment Date; provided, however, to the extent such moneys cannot be used to pay interest on the 2021 Notes within thirteen (13) months of deposit, such moneys shall be transferred to the 2021 Capitalized Interest Account in the Proceeds Fund and applied in accordance with the provisions of Section 4.08(d) hereof. The application of monies deposited in the 2021 Capitalized Interest Subaccount of the 2021 Account in the Debt Service Fund shall be credited toward that portion of the Loan Payments representing interest on the 2021 Notes due and owing from the Public University in any Bond Year and shall be transferred for the payment of such interest on each Interest Payment Date for the 2021 Notes through and including March 1, 2024 or until such moneys are exhausted, whichever is earlier. Monies deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account in the Debt Service Fund pursuant to Section 2(b)(i) of the First Supplemental Indenture shall be applied to the payment of interest due on the 2024 Notes on the Maturity date thereof; provided, however, to the extent such moneys cannot be used to pay interest on the 2024 Notes within thirteen (13) months of deposit, such moneys shall be transferred to the 2024 Capitalized Interest Account in the Proceeds Fund and applied in

accordance with the provisions of Section 4.08(d) hereof. The application of monies deposited in the 2024 Capitalized Interest Subaccount of the 2024 Account in the Debt Service Fund shall be credited toward that portion of the Loan Payments representing interest on the 2024 Notes due and owing from the Public University on the Maturity Date thereof, or until such moneys are exhausted, whichever is earlier."

(d) Section 12.03 of the Original Indenture is hereby amended, in part, to provide the updated address of the Trustee to provide as follows:

"To the Trustee at:

TD Bank, National Association  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054  
Attention: Corporate Trust Department"

**Section 6. Indenture One Instrument.** The Original Indenture, as amended and supplemented by the provisions of this First Supplemental Indenture, is to be read, taken and construed as one and the same instrument. Except as amended or supplemented hereby, the provisions of the Original Indenture are hereby ratified and confirmed in all respects and are applicable in all respects to the 2024 Notes and the Holders thereof.

**Section 7. Severability.** The provisions of this First Supplemental Indenture are hereby declared to be separable. If any Section, phrase or provision shall for any reason be declared to be invalid, such declarations shall not affect the validity of the remainder of the Sections, phrases or provisions.

**Section 8. Headings for Convenience Only.** The descriptive headings herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

**Section 9. Governing Law.** This First Supplemental Indenture shall be governed exclusively by the provisions hereof and by the applicable laws of the State without reference to conflict of law provisions.

**Section 10. Execution in Counterparts.** This First Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

[Signatures Appear on the Following Page]

**IN WITNESS WHEREOF**, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly Authorized Officer, all as of the day and year first above written.

**THE GLOUCESTER COUNTY  
IMPROVEMENT AUTHORITY**

By: \_\_\_\_\_  
CHARLES FENTRESS,  
Chairman

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Authorized Officer

Acknowledged and Accepted:

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
JOSEPH F. SCULLY, JR.,  
Senior Vice President for Finance and  
Chief Financial Officer

**EXHIBIT "A"  
TO FIRST SUPPLEMENTAL TRUST INDENTURE  
(FORM OF 2024 NOTE)**

Unless this note is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any note issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

Registered  
No. PN-1

Registered  
\$25,605,000

**UNITED STATES OF AMERICA  
STATE OF NEW JERSEY**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY  
LOAN REVENUE NOTES  
(ROWAN UNIVERSITY STUDENT CENTER PROJECT),  
SERIES 2024**

| <b><u>Interest Rate</u></b> | <b><u>Maturity Date</u></b> | <b><u>Dated Date</u></b> | <b><u>CUSIP</u></b> |
|-----------------------------|-----------------------------|--------------------------|---------------------|
| 4.00%                       | February 27, 2025           | February 29, 2024        |                     |

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of April 1, 2021, as amended and supplemented by that certain First Supplemental Trust

Indenture, dated as of February 1, 2024 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"), by and between the Authority and TD Bank, National Association, as Trustee ("Trustee"), until said Principal Amount is paid.

**Method of Payment.** The principal of and interest on this 2024 Note shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this 2024 Note shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this 2024 Note at the Principal Office of the Trustee. The interest payable on this 2024 Note on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority ("Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date and shall be paid: (i) by check or draft of the Trustee mailed on the Maturity Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee; or (ii) by electronic transfer in immediately available funds, if the 2024 Notes are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of 2024 Notes in the aggregate principal amount of at least \$1,000,000 such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the Record Date.

**Authorization.** This 2024 Note is one of a duly authorized series of notes of the Authority designated "The Gloucester County Improvement Authority Loan Revenue Notes (Rowan University Student Center Project), Series 2024" in the aggregate principal amount of \$25,605,000 ("2024 Notes"), issued for the purpose of providing funds to Rowan University (herein called the "Public University"), to: (i) pay the principal of the 2021 Notes on the Maturity Date thereof, which 2021 Notes were issued to finance a project consisting of (a) construction of an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto, (b) capitalized interest on the 2021 Notes, and (c) the payment of costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2021 Notes; (ii) pay capitalized interest on the 2024 Notes; and (iii) pay costs of issuance incurred by the Authority and the Public University in connection with the 2024 Notes, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the County Improvement Authorities Law ("Act"), and pursuant to proceedings duly had by the Authority. The funding will be made pursuant to the Loan and Security Agreement, dated as of April 1, 2021, as amended and supplemented by a First Amendment to Loan and Security Agreement, dated as of February 1, 2024 (said Loan Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Loan Agreement"), by and between the Authority and the Public University.

**Security.** The 2024 Notes are issued under and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Loan Agreement (other than its rights to payment of fees and expenses and indemnification) are pledged and assigned by the Authority to the Trustee as security for the 2024 Notes. Reference is hereby made to the Indenture for a description of the Pledged Property (as defined thereunder) and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the 2024 Notes, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the 2024 Notes, and a description of the terms upon which the 2024 Notes are issued and secured, upon which provision for payment of the 2024 Notes or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the 2024 Notes. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the 2024 Notes are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "Revenue Fund" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Trustee for that purpose.

**Interest Rate.** The 2024 Notes shall bear interest from the Dated Date of the 2024 Notes, payable on the Maturity Date of this 2024 Note. The amount of interest payable with respect to the 2024 Notes on the Maturity Date shall be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption.** The 2024 Notes shall be subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the Public University in accordance with the terms of the Loan Agreement, on or after December 1, 2024 in whole or in part at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount of 2024 Notes to be redeemed, plus accrued interest to the redemption date.

**Limitation on Rights; Acceleration; Modifications.** The Owner of this 2024 Note shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the 2024 Notes issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the 2024 Notes or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

**Special and Limited Obligations.** Notwithstanding anything to the contrary in the Indenture, the 2024 Notes shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision

thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the 2024 Notes and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the 2024 Notes, but all 2024 Notes shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement as authorized in the Act. The Authority has no taxing power.

**No Recourse.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the 2024 Notes or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the 2024 Notes.

**Authentication.** This 2024 Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

**IT IS HEREBY CERTIFIED AND DECLARED** that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this 2024 Note do exist, have happened and have been performed in due time, form and manner as required by law.

**IN WITNESS WHEREOF, THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY** has caused this 2024 Note to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chair and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

### **CERTIFICATE OF AUTHENTICATION**

This Note is one of the 2024 Notes described in the within mentioned Indenture.

**TD BANK, NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication:  
February \_\_\_, 2024

### **(FORM OF ASSIGNMENT)**

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Social Security or Federal Employer Identification No.) ("Transferee") the within 2024 Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within 2021 Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_ Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new Note will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within 2024 Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer identification number of the Transferee is supplied. If the Transferee is a trust, attach names and Social Security or Federal Employer Identification numbers of the settler or beneficiaries, the date of the trust and the name of the trustee.

### **ABBREVIATIONS**

The following abbreviations, when used in the description on the face of the within 2024 Note, shall be construed as though they were written out in full according to applicable laws and regulations.

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with the right of survivorship and not as tenants in common  
UNIFORM GIFT MIN ACT (Cus) - Custodian Under Uniform Gifts to Minors Act

Additional abbreviations may also be used though not in the above list.

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(ii)

(iii)

**THIS LOAN AND SECURITY AGREEMENT**, dated as of April 1, 2021 (together with any supplements and amendments hereto, collectively, the "Loan Agreement"), by and between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of County Commissioners of the County of Gloucester, New Jersey ("County"), and any successor to its duties and functions ("Authority"), and **ROWAN UNIVERSITY** ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* (collectively, the "Rowan Act").

**WITNESS ET H:**

**WHEREAS**, the Authority is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including the Public University, for any of their respective governmental purposes; and

**WHEREAS**, the Authority is authorized by the Act to extend credit or make loans to any governmental unit or Person, including the Public University, for the planning, design, acquisition, construction, equipping and furnishing of all or any part of any "public facility" (as defined in the Act), for such consideration and for such period or periods of time and upon such other terms and conditions as it may fix and agree upon as long as such loans are secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for such purpose by the Authority, and upon such other terms and conditions as the Authority shall deem reasonable; and

**WHEREAS**, the Authority has determined, pursuant to the Act, to finance a capital improvement project consisting of the construction of an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto, all as more particularly described in Exhibit "F" hereto (collectively, the "Facilities Project"); and

**WHEREAS**, all actions necessary and required under the Act for the approval of the Project, including, without limitation, obtaining the consent of the Public University to undertake the financing and the review of and consent to such financing by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been and/or will have been taken prior to the issuance of the 2021 Notes (as hereinafter defined); and

**WHEREAS**, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the Project (as hereinafter defined) by the issuance of its

2021 Notes and the lending of the proceeds thereof to the Public University pursuant to the terms and conditions set forth in the Indenture (as hereinafter defined) and in this Loan Agreement; and

**WHEREAS**, pursuant to the terms of this Loan Agreement, the Public University is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the 2021 Notes due on the immediately succeeding Interest Payment Date (as hereinafter defined) and the Maturity Date (as hereinafter defined), as the case may be; and

**WHEREAS**, the Public University has authorized the performance of its obligations under this Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined); and

**WHEREAS**, the 2021 Notes will be issued pursuant to the provisions of Sections 2.01, 2.02 and 2.03 of the Indenture.

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

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## ARTICLE I

### DEFINITIONS AND GENERAL PROVISIONS

**SECTION 1.01. Definitions.** The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Loan Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

**"Account"** or **"Accounts"** shall mean, as the case may be, each or all of the Accounts established and created under Article IV of the Indenture.

**"Act"** shall have the meaning set forth in the Recitals to this Loan Agreement.

**"Additional Loan Payments"** shall mean any and all amounts payable by the Public University to the Authority pursuant to this Loan Agreement including, but not limited to, Section 5.02(B) hereof, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, all direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Indenture and this Loan Agreement, including reasonable attorneys' fees related hereto and thereto and any and all charges, fees, costs and expenses that the Authority may reasonably pay or incur in connection with: (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby.

**"Additional Notes"** shall mean the Notes, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.05 of the Indenture, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to the Indenture.

**"Annual Authority Administrative Fee"** shall mean, with respect to: (i) the 2021 Notes, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the 2021 Notes are no longer Outstanding, in the amount of \$0.00; and (ii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Additional Notes.

**"Article"** shall mean a specified Article hereof, unless otherwise indicated.

**"Authority"** shall have the meaning set forth in the Recitals to this Loan Agreement.

**"Authority Administrative Expenses"** shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under the Indenture and this Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee;

(ii) the Annual Authority Administrative Fee; (iii) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Notes, the financing of the Project or the compelling of the full and punctual performance of the Indenture and this Loan Agreement in accordance with the terms hereof and thereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under the Indenture and this Loan Agreement, all to the extent not capitalized pursuant to the requirements of the Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the Public University.

**"Authorized Authority Representative"** shall mean the Chair, Vice Chair, Executive Director, Secretary and any Assistant Secretary, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document or serving in an interim or acting capacity.

**"Authorized Public University Representative"** shall mean the Chair, Vice Chair, President or Senior Vice President for Finance and Chief Financial Officer of the Public University, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document.

**"Bond Counsel"** shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Public University.

**"Bond Resolution"** shall mean the resolution adopted by the Authority on February 18, 2021, as the same may be amended, modified and supplemented in accordance with the provisions thereof in connection with the issuance of each Series of Notes, including the 2021 Notes.

**"Bond Year"** shall mean, with respect to the 2021 Notes, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the 2021 Notes or the date that is five (5) years after the Issue Date in the case of the 2021 Notes, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the 2021 Notes. For each Series of Additional Notes, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Additional Notes is issued.

**"Business Day"** means a day other than a day: (i) on which banks located in the City of New York, New York, the State of New Jersey or the city in which the Principal Office of the Trustee is located, is required or authorized by law or executive order to close; and (ii) on which the New York Stock Exchange is not closed.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

**"Completion Certificate"** shall mean the certificate described in Section 4.05 hereof, executed by the Public University, wherein, with respect to the Facilities Project, the Public University certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 4.03(d) of the Indenture.

**"Completion Date"** shall mean the date of completion of the Facilities Project, as stated in the Public University's Completion Certificate described in Section 4.05 hereof.

**"Continuing Disclosure Agreement"** shall have the meaning given to such term in Section 5.14 of this Loan Agreement.

**"Cost"** or **"Costs"** shall mean and shall be deemed to include, with respect to the Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Loan Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of the Facilities Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the Facilities Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Notes, all professional and consulting fees and charges of the Authority, and of the Public University, costs of rating agencies, bond insurance, bond insurers or credit ratings, escrow agent fees, verification agent fees, escrow security fees, escrow security bidding fees, fees for the printing, execution, transportation and safekeeping of any Series of Notes, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the Public University or the Authority shall be required to pay under the terms of any contract or contracts for the completion of the Facilities Project or the acquisition, construction, equipping and furnishing of the Facilities Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the Public University for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the Facilities Project; (iv) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (v) such other expenses not specified herein or in the Indenture as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the Facilities Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the Public University for any of the above-mentioned items or in connection with the administration and enforcement of the Continuing Disclosure Agreement and this Loan Agreement.

**"County"** shall have the meaning set forth in the Recitals to this Loan Agreement.

**"Debt Retirement Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(f) of the Indenture.

**"Debt Service"** for any period shall mean, as of any date of calculation, with respect to a particular Series of Notes, including the 2021 Notes, an amount equal to: (i) in each period up to and including the final Interest Payment Date prior to the Maturity Date, the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund; and (ii) in the final period ending on the Maturity Date, (a) the interest accruing during such period on such Series of Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the applicable Account of the Debt Service Fund, and (b) the principal amount of such Series of Notes. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"Debt Service Fund"** shall mean the Fund so designated, created and established pursuant to Section 4.02(e) of the Indenture.

**"Debt Service Requirement"** with respect to the next Interest Payment Date or the Maturity Date for any Series of Notes shall mean: (i) in the case of an Interest Payment Date, interest accrued and unpaid and to accrue to such date; and (ii) in the case of the Maturity Date, interest accrued and unpaid and to accrue to such date, if any, plus the principal amount of the Notes due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

**"Division"** shall mean the Division of Responsible Party Site Remediation of the NJDEP or any other division of NJDEP responsible for review of environmental cleanup plans.

**"ECRA"** shall mean the Environmental Cleanup Responsibility Act, *N.J.S.A. 13:1K-6 et seq.*, and the regulations promulgated thereunder.

**"Environmental Laws"** shall mean federal, State and local laws and regulations, judgments, orders and permits governing the protection of the environment including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. §9601 *et seq.*), the Resource, Conservation and Recovery Act, as amended (42 U.S.C. §6901 *et seq.*), the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), and Safe Drinking Water Act (42 U.S.C. §§300f through 300j), ECRA, the New Jersey Spill Compensation and Control Act (*N.J.S.A. 58:10-23.11 et seq.*), and any subsequently enacted statutory provisions authorizing equivalent causes of action for claims arising from or related to releases, discharges, threatened releases, or threatened discharges of Hazardous Wastes.

**"Equipment"** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of equipment constituting the Facilities Project described in Exhibit F hereto, as Exhibit F is amended, supplemented and restated from time to time in connection with the acquisition and installation by the Public University of any equipment as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any equipment then described in Exhibit F hereto.

**"Event of Default"** shall mean a "default" or an "Event of Default" as defined in Section 8.01 hereof but not as defined in Section 7.01 of the Indenture.

**"Facilities Project"** shall mean the construction of an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto, all as more particularly described in Exhibit "F" hereto.

**"Favorable Opinion of Bond Counsel"** shall mean an opinion of Bond Counsel, addressed to the Authority, the Public University and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture, any Supplemental Indenture, this Loan Agreement, any amendment or supplement to this Loan Agreement, and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of Federal income taxation under Section 103 of the Code.

**"Fiduciary"** or **"Fiduciaries"** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

**"Fiscal Year"** shall mean the respective twelve (12) month fiscal periods of the Public University or the Authority, as applicable.

**"Fitch"** shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"Fund"** or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 4.02 of the Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

**"Hazardous Wastes"** shall have the meaning set forth in Section 2.01(M) hereof.

**"Improvements"** shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of capital improvements constituting the Facilities Project described in Exhibit F hereto, as Exhibit F is amended, supplemented and restated from time to time in connection with the construction by the Public University of any capital improvement as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, a capital improvement then described in Exhibit F hereto.

**"Indenture"** means the Trust Indenture, dated as of April 1, 2021, between the Authority and TD Bank, National Association, as trustee, as amended, modified and supplemented in accordance with the provisions hereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2021 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$24,500,000, in connection with the sale and award of the 2021 Notes; and (ii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Notes or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Additional Notes.

**"Interest Payment Date"** shall mean: (i) with respect to the 2021 Notes, each March 1 and September 1 of each year, commencing September 1, 2021 up to and including the Maturity Date; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing a Series of Additional Notes. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Issue Date"** shall mean, with respect to (i) the 2021 Notes, April 7, 2021; and (ii) any Series of Additional Notes, the date on which the Trustee authenticates the Series of Additional Notes and on which such Series of Additional Notes is delivered to the purchasers thereof upon original issuance.

**"Item"** shall mean a particular Item of Equipment or specific Improvement, provided however that each Item of Equipment or Improvement may include more than one Unit.

**"Loan"** shall mean the loan made by the Authority to the Public University in the principal amount of \$24,500,000 (which amount shall also be specified in the Indenture relating to the 2021 Notes), to finance the aggregate Costs of the Project under the terms and conditions set forth herein.

**"Loan Agreement"** shall mean this Loan and Security Agreement, dated as of April 1, 2021, between the Authority and the Public University, together with any supplements and amendments hereto, relating to the Project to be financed with the proceeds of the Loan.

**"Loan Documents"** shall mean, collectively, this Loan Agreement, the Continuing Disclosure Agreement, the Indenture, and all documents and instruments executed and delivered in connection herewith and therewith and all amendments and modifications hereto and thereto.

**"Loan Payment"** shall mean the sum of money representing principal and interest necessary to amortize Debt Service on the 2021 Notes payable by the Public University on each Loan Payment Date, as set forth in Exhibit A hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the 2021 Notes pursuant to Article III of the Indenture and, as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Section 5.02(B) hereof.

**"Loan Payment Date"** shall mean: (i) with respect to the 2021 Notes, thirty (30) days prior to the applicable Interest Payment Date or Maturity Date, as the case may be; and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Additional Notes. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Loan Term"** shall mean the period during which this Loan Agreement is in effect as specified in Section 5.01 hereof.

**"Maturity Date"** shall mean: (i) with respect to the 2021 Notes, March 1, 2024, on which the principal amount of the 2021 Notes shall be due and payable by the Authority; or (ii) such

other date as set forth in a Supplemental Indenture authorizing a Series of Additional Notes on which the principal amount of such Series of Notes shall be due and payable. In the event Maturity Date is not a Business Day, all amounts due on such Maturity Date shall be paid on the next succeeding Business Day.

"**Month**" shall mean a calendar month.

"**Moody's**" shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

"**NJDEP**" shall mean the New Jersey Department of Environmental Protection or any successor agency.

"**Note**" or "**Notes**" shall mean the 2021 Notes issued pursuant to Sections 2.01, 2.02 and 2.03 of the Indenture to provide funds to finance the Project, together with Additional Notes, if any, issued pursuant to Section 2.05 of the Indenture.

"**Noteowner**", "**Noteholder**", "**Holder**", "**Owner**" or "**Registered Owner**" means the Person in whose name a Note is registered on the Bond Register.

"**Official Statement**" shall mean the Official Statement of the Authority, dated March 24, 2021, prepared in connection with the offering and sale of the 2021 Notes.

"**Operating Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(c) of the Indenture.

"**Outstanding**" means, when used with reference to Notes, as of a particular date, all Notes theretofore authenticated and delivered, except: (a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.12 of the Indenture; (b) Notes which are deemed to have been paid in accordance with Article XI of the Indenture; and (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to Article II of the Indenture.

"**Person**" or "**Persons**" shall mean any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"**Prepayment**" shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 hereof.

"**Proceeds**" shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the Facilities Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the Public University elects to provide self-insurance under Section 7.05 of this Loan Agreement, any moneys payable from any self-insurance fund of the Public University which may lawfully be expended for the purposes for which such self-insurance is provided.

"**Proceeds Fund**" shall mean the Fund so designated, established and created pursuant to Section 4.02(d) of the Indenture.

"**Project**" means, collectively: (i) the Costs of the Facilities Project; (ii) capitalized interest on the 2021 Notes, if any; and (iii) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2021 Notes.

"**Project Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(a) of the Indenture.

"**Public University**" means the public institution for higher education authorized and created pursuant to State law, the name of which is Rowan University, located in Glassboro, New Jersey.

"**Public University Board**" means the Board of Trustees of the Public University, as the governing body vested with the power of management of the Public University, or a duly authorized committee thereof.

"**Rebate Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(g) of the Indenture.

"**Record Date**" shall mean: (i) with respect to the 2021 Notes, the fifteenth day of the calendar month immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

"**Registered Owner**" shall mean the Owner of any Note which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

"**Related Document**" means the Indenture, this Loan Agreement or any other transaction document, including any underlying security agreement related to the 2021 Notes.

"**Revenue Fund**" shall mean the Fund so designated, created and established pursuant to Section 4.02(b) of the Indenture.

"**Revenues**" shall mean: (i) all amounts, including Loan Payments, received by the Authority from the Public University under this Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture, and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Notes pursuant to a Supplemental Indenture.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**"Series"** shall mean all of the Notes authenticated and delivered upon original issuance pursuant to this Indenture and any Supplemental Indenture authorizing such Notes as a separate Series of Notes, and any Notes thereafter authenticated and delivered in lieu of or in substitution for such Notes pursuant to this Indenture, regardless of variations in maturity, interest rate or other provisions.

**"Standard & Poor's"** or **"S&P"** shall mean S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

**"State"** shall mean the State of New Jersey or any successor to its duties and functions.

**"Supplemental Indenture"** shall mean any indenture supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Article IX of the Indenture.

**"Tax-Exempt Obligations"** shall mean any Series of Notes which are issued pursuant to the terms of the Indenture together with an opinion of Bond Counsel to the effect that the interest on such Notes is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

**"Trustee"** shall mean, with respect to the 2021 Notes and any Series of Additional Notes issued under the Indenture, TD Bank, National Association, Cherry Hill, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Indenture or appointed trustee pursuant to a Supplemental Indenture.

**"2021 Notes"** the Series of Tax-Exempt Obligations issued as Notes so designated, authenticated and delivered to the Underwriters upon original issuance pursuant to Sections 2.02 and 2.03 of the Indenture in the amount of \$24,500,000 which are designated Loan Revenue Notes (Rowan University Student Center Project), Series 2021.

**"Underwriter"** shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter (and acknowledged by the Public University), dated the date of sale of the 2021 Notes.

**"Unit"** shall mean, with respect to each Item, an individual Improvement or piece of Equipment which is designated in Exhibit F hereto as being a Unit of such Item of Improvement or Equipment.

**"Yield"** shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Notes is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender

shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

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## **ARTICLE II**

### **REPRESENTATIONS AND WARRANTIES**

#### **SECTION 2.01. Public University's Representations and Warranties.**

The Public University represents and warrants that:

(A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, including the Rowan Act, with full power and legal right to enter into this Loan Agreement and to perform its obligations hereunder and under any other Loan Documents to which it is a party.

(B) The entering into of this Loan Agreement by the Public University and the performance of its obligations hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the Public University, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the Public University or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, order of any court or governmental agency.

(C) This Loan Agreement constitutes a legal, valid and binding obligation of the Public University, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affecting generally the enforcement of creditors' rights.

(D) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the Public University, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (1) result in any material adverse change in the financial condition, properties or operations of the Public University that would materially adversely affect the ability of the Public University to make Loan Payments; (2) materially adversely affect the ability of the Public University to perform its obligations under this Loan Agreement; (3) materially impair the Project; (4) materially adversely affect the transactions contemplated by this Loan Agreement; or (5) adversely affect the validity or enforceability of the 2021 Notes, the Indenture, this Loan Agreement, or any other documents related to the Project.

(E) Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of (1) any law, rule, regulation or, to the knowledge of the Public University, order of any court or governmental agency, or (2) any agreement, instrument or evidence of indebtedness to which the Public University is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the Project and the transactions contemplated hereby and by the other Loan Documents either have been obtained or are reasonably expected to be obtained in due course.

(F) All statements, representations and warranties made by the Public University in connection with the financing of the Project, the issuance of the 2021 Notes, or the

Loan Documents or in any other document, agreement, certificate or instrument delivered or to be delivered by the Public University in connection with any of the foregoing shall be true, correct and complete in all material respects at the time they were made and on and as of the Issue Date of the 2021 Notes, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

(G) There has been no material adverse change in the financial condition or operation of the Public University not reflected in any financial statement, certificate or any other document submitted by the Public University to the Authority.

(H) No legislation has been enacted which in any way adversely affects the execution and delivery of this Loan Agreement or the creation, organization or existence of the Public University or the titles to office of any officials thereof or the power of the Public University to carry out its obligations under this Loan Agreement.

(I) Except as otherwise disclosed in the Official Statement, the Public University is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Loan Agreement.

(J) The Public University is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the Public University, any judgment, writ, injunction or order of any court or governmental agency.

(K) The Public University has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Loan Agreement to be invalid or unenforceable in whole or in part or which would cause the interest income on any Series of Tax-Exempt Obligations, including the 2021 Notes, to be included in the gross income of the Holders thereof under the Code.

(L) The undertaking of the Facilities Project in the manner presently contemplated will not materially conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto. The Public University will cause the Facilities Project to be acquired and/or constructed and installed, as the case may be, in accordance with all Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The Public University will acquire and complete the Facilities Project pursuant to this Loan Agreement.

(M) The Public University shall not bring, allow, use or permit upon the Facilities Project or generate or create at or emit or dispose from the Facilities Project any toxic or hazardous gaseous, liquid or solid materials or waste including, without limitation, materials or substances having characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity or substances or materials which are listed on any of the United States Environmental Protection Agency's list of hazardous wastes which are identified in Appendix "A" of N.J.A.C.

7:1E as the same may be amended from time to time (collectively, "Hazardous Wastes"), other than in accordance with applicable Environmental Laws. In the event any such Hazardous Wastes are brought or deposited upon the Facilities Project, the Public University shall cause the removal of same in such manner as is prescribed by all applicable Environmental Laws. The Public University shall comply, at its sole cost and expense, with all Environmental Laws and shall indemnify and hold the Authority harmless from any claims, liabilities, costs or expenses incurred or suffered by the Authority arising from such bringing, allowing, using, permitting, generating, creating or omitting or disposing on the Facilities Project. The Public University's indemnification and hold harmless obligations include, without limitation, (i) claims, liabilities, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other actions, legal or equitable, brought by any private or public Person under any Environmental Laws, (ii) claims, liabilities, costs or expenses pertaining to the clean-up or containment of Hazardous Wastes, the identification of the pollutants in the Hazardous Waste, the identification of the scope of any environmental contamination, the removal of pollutants from soils, riverbeds or aquifers, the provision of any alternative public drinking water source, or the long term monitoring of ground water and surface waters, and (iii) all costs of defending such claim including reasonable counsel fees. Notwithstanding any contrary provision herein, the provisions of this indemnity shall survive the Loan Term.

Should the Division or any other division of NJDEP determine that a cleanup plan be prepared, and that a cleanup be undertaken because of any spills or discharges of Hazardous Wastes at the Facilities Project which occur during the Loan Term, then the Public University shall, at the Public University's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

The Public University and the Authority recognize that no ECRA approvals have been obtained as of the commencement of this Loan Agreement. Therefore, in the event ECRA compliance becomes necessary with respect to the Facilities Project, the Public University shall, at the Public University's own expense, comply with ECRA. The Public University shall also provide all information within the Public University's control requested by the Authority or the Division for preparation of non-applicability affidavits should the Authority or NJDEP so request, and the Public University shall promptly execute such affidavits should the information contained therein be found by the Public University to be complete and accurate.

(N) The Public University shall apply the proceeds from the sale of the 2021 Notes for the respective purposes specified and in the manner provided for in this Loan Agreement and in the Indenture.

(O) The Public University shall annually provide moneys for payment of its Loan Payment obligations hereunder (including, but not limited to, Debt Service on any Notes issued by the Authority which are Outstanding under the Indenture, including the 2021 Notes, and Additional Loan Payments).

(P) Any certificate signed by an Authorized Public University Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the Public University to the Trustee or the Authority, as the case may be, as to the statements made therein.

**SECTION 2.02. Authority Representations and Findings.** The Authority hereby confirms its findings and represents that:

(A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the 2021 Notes in accordance with the Act and to use the proceeds from the sale of the 2021 Notes to make the Loan to the Public University.

(B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Loan Agreement, the 2021 Notes, the Indenture and any and all other agreements relating thereto and to issue, sell and deliver the 2021 Notes as provided in the Indenture.

(C) By the Bond Resolution, duly adopted by the Authority and still in full force and effect, the Authority has duly authorized the execution, delivery and due performance of this Loan Agreement, the Indenture and the 2021 Notes and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Indenture, the 2021 Notes and this Loan Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.

(D) The 2021 Notes have been duly authorized, executed, issued, sold and delivered and constitute valid and binding direct, limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the Revenues derived pursuant to this Loan Agreement and pledged therefor by the Indenture. The 2021 Notes shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by this Loan Agreement, the Public University, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, under and limited by the Loan Agreement, the Public University, is obligated to pay the principal of and interest on the 2021 Notes and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof, is pledged to the payment of the principal of and interest on the 2021 Notes, but all 2021 Notes shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under this Loan Agreement, as authorized in the Act.

(E) The adoption of the Bond Resolution and the execution and delivery of the Indenture, this Loan Agreement and the 2021 Notes, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations

and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained.

(F) The Authority shall apply the proceeds from the sale of the 2021 Notes and the Revenues derived under this Loan Agreement for the purposes specified and in the manner provided in this Loan Agreement and the Indenture.

(G) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the 2021 Notes, the Indenture, this Loan Agreement or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exclusion from taxation as set forth herein.

(H) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the Public University shall be deemed a representation and warranty by the Authority to the Trustee or the Public University, as the case may be, as to the statements made therein.

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## ARTICLE III

### ISSUE OF 2021 NOTES; LENDING CLAUSE

**SECTION 3.01. Issue of the 2021 Notes; Lending Clause.** (A) The Authority shall issue, sell and deliver the 2021 Notes in accordance with the terms of the Indenture, subject to the execution of one or more bond purchase contracts by and between the Authority and the Underwriter for the 2021 Notes.

(B) The Authority agrees to lend to the Public University, and the Public University agrees to borrow from the Authority, the proceeds of the 2021 Notes (including income earned on the investment of 2021 Note proceeds), to be used in the manner prescribed herein and in the Indenture to: (i) finance the Costs of the Facilities Project; (ii) fund capitalized interest on the 2021 Notes; and (iii) pay certain Costs incidental to the issuance and sale of the 2021 Notes. The Public University agrees to use its best efforts to expend the 2021 Note proceeds to complete the acquisition, construction, equipping and furnishing of the Facilities Project no later than April 7, 2024.

(C) Upon original issuance of the 2021 Notes, proceeds thereof, including accrued interest, if any, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, and capitalized interest, if any, on the 2021 Notes for deposit in the 2021 Account in the Debt Service Fund established for the 2021 Notes; (ii) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the 2021 Notes, including the allocable portion of the Initial Authority Financing Fee, for deposit in the Operating Fund and paid to the Authority in accordance with Section 4.06(b) of the Indenture; and (iii) the amount set forth in Section 2.03(b)(iii) of the Indenture shall be deposited into the 2021 Account in the Project Fund established for the 2021 Notes and paid in accordance with Section 4.03 of the Indenture.

**SECTION 3.02. Benefit of Noteholders.** This Loan Agreement is executed in part to induce the purchase by others of the 2021 Notes and, accordingly, all covenants, agreements and representations on the part of the Public University and the Authority, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the 2021 Notes. As such, any of the Funds created under the Indenture (excluding the Rebate Fund) and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the 2021 Notes. The Public University, by execution hereof, consents to such assignment for the benefit of the Noteholders to secure repayment of the 2021 Notes.

**SECTION 3.03. Compliance With Indenture.** The Public University covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with the Indenture, this Loan Agreement and any other Loan Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Indenture and the Loan Documents.

## **ARTICLE IV**

### **ACQUISITION OF THE FACILITIES PROJECT**

#### **SECTION 4.01. The Facilities Project.**

(a) The Authority and the Public University have agreed that the Public University shall acquire, construct, equip and furnish the Facilities Project in accordance with all statutory and regulatory requirements. The Public University agrees that it will use its best efforts to cause such acquisition, construction, equipping and furnishing of the Facilities Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted; but if for any reason such acquisition, construction, equipping and furnishing is delayed there shall be no diminution in or postponement of the amounts payable to the Authority by the Public University under this Loan Agreement.

(b) The Public University shall be responsible for the letting of contracts and for conducting the due diligence on the Facilities Project, including appraisals, title work, environmental surveys, etc., and obtaining all consents, approvals, permits and the like in connection with or relating to the acquisition, construction, equipping and furnishing of the Facilities Project.

(c) The Public University acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the Facilities Project or any contracts or agreements with respect to the Facilities Project. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the Facilities Project or this Loan Agreement.

#### **SECTION 4.02. Deposits to Project Fund.**

(a) The net proceeds of the 2021 Notes, less the proceeds thereof deposited in the Debt Service Fund, if any, and the Operating Fund (for Costs consisting of costs of issuance with respect to the 2021 Notes) pursuant to the provisions of the Indenture and the written order of the Authority as to delivery of the 2021 Notes, will be deposited in the 2021 Account in the Project Fund established under the Indenture and shall be used by the Public University for payment of Costs of the Facilities Project or to reimburse the Public University for any Cost of the Facilities Project upon requisition by the Public University as provided in Section 4.03 of the Indenture and Section 4.03 of this Loan Agreement. The Public University agrees that the sums so requisitioned from the 2021 Account in the Project Fund will be used to pay or to reimburse the Public University for the Costs of the Facilities Project. If for any reason the amount in the 2021 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project and in the event the Public University elects: (i) to undertake such remaining portions of the Facilities Project, the Public University shall pay the remainder of such Costs; or (ii) not to undertake such remaining portions of the Facilities Project, the Public University shall prepare and file with the Trustee the Public University's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement.

(b) The Public University shall have the right to enforce payments from the 2021 Account in the Project Fund upon compliance with the procedures set forth in this Section

4.02, Section 4.03 hereof and Section 4.03 of the Indenture and, in the case of reimbursement for prior advances made by the Public University, upon compliance with the procedures set forth in the Tax Agreement executed by the Authority and the Public University in connection with the issuance of the 2021 Notes; provided that, during the continuance of an Event of Default (as defined in the Indenture), the Trustee shall apply the Pledged Property including, but not limited to, the 2021 Account in the Project Fund in accordance with the provisions of Article VII of the Indenture and the Loan Documents.

#### **SECTION 4.03. Payments From Project Fund.**

(a) The Authority has, in Section 4.03 of the Indenture, authorized and directed the Trustee to make payments from the 2021 Account in the Project Fund to pay the Costs of the Facilities Project (excluding costs of issuance with respect to the 2021 Notes which shall be paid from the Operating Fund) or to reimburse the Public University for any Cost of the Facilities Project (excluding costs of issuance with respect to the 2021 Notes which shall be paid from the Operating Fund) paid by it in accordance with a reimbursement resolution or resolutions adopted by the Public University, upon receipt of a requisition signed by an Authorized Public University Representative, together with a copy of the reimbursement resolution or resolutions adopted by the Public University, stating with respect to each payment to be made: (1) the requisition number, (2) that such payment is to be made from the 2021 Account in the Project Fund, (3) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Public University for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Public University, (4) the amount to be paid, which amount represents the payment due to the Person referenced in clause (3) above, or 100% of the payment previously made by the Public University, (5) the particular item of Cost to be paid to which the requisition relates, (6) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and is a proper charge against the 2021 Account in the Project Fund and has not been the basis of any previously paid withdrawal or requisition, (7) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with, if any, (8) if such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, that the amount to be paid does not exceed the actual cost thereof to the Public University, (9) that no uncured Event of Default has occurred under this Loan Agreement or the Indenture (as defined in Section 7.01 thereof) and everything then required to be performed by the Public University has been performed, (10) the Public University has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons, firms or corporations named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition, and (11) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Public University agrees with the Authority as a condition precedent to the disbursement of any portion of the 2021 Account in the Project Fund to comply with the terms of this Loan Agreement, the Indenture and, in the case of any requests for reimbursement, the Tax Agreement and to furnish the Trustee with a requisition form

substantially in the form set forth as Exhibit B annexed hereto and incorporated by this reference herein and, if applicable, a copy of the reimbursement resolution or resolutions.

**SECTION 4.04. Cooperation in Furnishing Documents.** The Authority agrees to cooperate with the Public University in furnishing to the Trustee any documents that are required to effect payments out of the 2021 Account in the Project Fund in accordance with Section 4.03 hereof and Section 4.03 of the Indenture. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the 2021 Account in the Project Fund available for payment under the terms of the Indenture.

**SECTION 4.05. Completion Date.** Upon completion of the Facilities Project, the Public University shall deliver to the Trustee and the Authority the Public University's Completion Certificate, the form of which is annexed hereto as Exhibit C and incorporated by this reference herein, which Completion Certificate shall evidence completion of the Facilities Project, and in compliance with the provisions of Section 4.03(d) of the Indenture shall state: (i) that the Facilities Project is complete or has been substantially completed; (ii) the date of completion of the Facilities Project; (iii) the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the Facilities Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the Facilities Project are an authorized "public facility" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the Facilities Project have been obtained and are in effect. Notwithstanding the foregoing, the Public University's Completion Certificate may state that it is given without prejudice to any rights against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. Any amount remaining in the 2021 Account in the Project Fund thereafter (except for amounts therein sufficient to cover Costs of the Facilities Project, not then due and payable or not then paid) shall be applied by the Trustee in the manner set forth in Section 4.03(d) of the Indenture. If for any reason the amount in the 2021 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project, the Public University shall make the election to either not undertake the remaining portion of the Facilities Project or undertake the remaining portion with its own available funds.

**SECTION 4.06. Notes Issued as Tax-Exempt Obligations Not to Become Arbitrage Notes.** As provided in Article V of the Indenture, the Trustee will invest moneys held by the Trustee as directed by the Authority, in writing, upon written instructions from the Public University. The Public University hereby covenants to the Authority and to the Holders of any Notes issued as Tax-Exempt Obligations that, notwithstanding any other provision of this Loan Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the proceeds of a Series of Notes issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund or other proceeds of any Series of Notes issued as Tax-Exempt Obligations which would cause such Series of Notes issued as Tax-Exempt Obligations to be arbitrage bonds under Section 148 of the Code, and that it will comply with the requirements of such Section throughout the term of such Series of Notes issued as Tax-Exempt Obligations.

**SECTION 4.07. Restriction on Use of Project Fund.** The Public University shall not use or direct the use of proceeds of a Series of Notes issued as Tax-Exempt Obligations deposited into the applicable Account in the Project Fund in any way, or take or omit to take any other action, so as to cause the interest on such Tax-Exempt Obligations to be included in gross income of the Owners thereof for federal income taxation purposes.

**SECTION 4.08. Due Diligence Requirement.** Except to the extent otherwise approved by a Favorable Opinion of Bond Counsel, such opinion being paid for by the Public University and addressed to the Trustee, the Authority and the Public University and being satisfactory to the Authority, the Public University shall reasonably expect to have completed the Facilities Project with due diligence and caused all of the proceeds of the 2021 Notes to be expended for Costs of the Facilities Project or to be transferred from the 2021 Account in the Project Fund and applied as described in Section 4.09 hereof and Section 4.03(d) of the Indenture within three (3) years of the Issue Date of the 2021 Notes.

**SECTION 4.09. Completion of Facilities Project; Excess 2021 Note Proceeds.** When the Public University certifies to the Trustee and the Authority, in the manner provided in Section 4.05 hereof and in Section 4.03(d) of the Indenture, that the acquisition, construction, equipping and furnishing of the Facilities Project is complete, excess 2021 Note proceeds remaining in the 2021 Account in the Project Fund shall be applied by the Trustee, at the written direction of an Authorized Public University Representative, in accordance with the provisions of Section 4.03(d) of the Indenture. If for any reason the amount in the 2021 Account in the Project Fund proves insufficient to pay all Costs of the Facilities Project and in the event the Public University elects to: (i) undertake such remaining portions of the Facilities Project, the Public University shall pay the remainder of such Costs with its own available funds; or (ii) not to undertake such remaining portions of the Facilities Project, the Public University shall prepare and file with the Trustee the Public University's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement.

**SECTION 4.10. Default in Performance.** If there is an event of default by any contractor or any party under any contract made in connection with the Facilities Project, the Public University will promptly proceed, either separately or in conjunction with others, to exhaust the remedies against the party so in default and against each surety for the performance of such party. The Public University agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The Public University may, in good faith, with notice to the Authority and at the cost and expense of the Public University, prosecute or defend any action or proceeding or take other action involving any such party which the Public University deems reasonably necessary and which may be required for the successful completion of the Facilities Project, and in such event, the Authority hereby agrees to cooperate fully with the Public University. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be deposited into the 2021 Account in the Project Fund and shall be used to complete the Facilities Project or shall be deposited into the 2021 Account in the Proceeds Fund and shall be applied by the Trustee as a credit toward the Public University's Loan Payments in accordance with the provisions of Section 4.08 of the Indenture, as shall be determined by the Authority in accordance with written instructions from the Public University.

**SECTION 4.11. Sufficiency of 2021 Note Proceeds; Completion of the Project.** The Public University agrees that the net proceeds of sale of the 2021 Notes deposited in the 2021 Account in the Project Fund established under the Indenture will be sufficient to pay the estimated Costs of the Facilities Project. In the event the Cost to complete the Facilities Project shall exceed the amounts available to the Public University in the 2021 Account in the Project Fund from the 2021 Note proceeds and, in the event the Public University elects to undertake such remaining portions of the Facilities Project, the Public University shall pay such Costs out of funds legally available therefor.

**SECTION 4.12. Substitution by the Public University With Respect to Facilities Project.** The Public University is hereby granted the following options of substitution or addition of Equipment or Improvements with respect to the Facilities Project as originally set forth in this Loan Agreement:

(A) Prior to the Public University's delivery of a Completion Certificate for any Item, the Public University may, for any reason, elect to substitute one or more other Items of Equipment or Improvements for the Items that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized Public University Representative expressing the Public University's intent to substitute Equipment or Improvements pursuant to this Loan Agreement and to the effect that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the 2021 Notes for which a Completion Certificate has been delivered (exclusive of these additional contemplated Items), when added to the value of the new Items of Equipment and Improvements to be purchased with proceeds of the 2021 Notes is equal to at least 100% of the amount of 2021 Note proceeds initially deposited in the 2021 Account in the Project Fund established pursuant to the Indenture for the 2021 Notes; (ii) a new Exhibit F to this Loan Agreement setting out the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each of such substitutions and this Loan Agreement, as supplemented thereby, are in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority; and (iv) an opinion of Bond Counsel to the effect that each such additional Item will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

(B) The Public University may not elect to substitute or exchange Equipment or Improvements for Items or Units constituting the Facilities Project designated in Exhibit F to this Loan Agreement for which the Public University has furnished to the Trustee a Completion Certificate.

(C) To the extent excess proceeds of the 2021 Notes remain in the 2021 Account in the Project Fund as set forth in the Indenture after all of the Items of Equipment and Improvements set forth in Exhibit F hereto to be financed with a portion of the proceeds of the 2021 Notes have been acquired or completed, the Public University may apply such excess proceeds of the 2021 Notes to the purchase of additional Items but such application may only occur if the Trustee shall have received: (i) a Certificate of an Authorized Public University Representative expressing the Public University's intent to add Items pursuant to this Loan Agreement and to the effect that the aggregate value of all Items financed with the proceeds of the 2021 Notes for which a Completion Certificate has been delivered (exclusive of these

additional contemplated Items) when added to the value of the new Items to be purchased with the proceeds of the 2021 Notes, will be equal to at least 100% of the amount of 2021 Note proceeds initially deposited in the 2021 Account in the Project Fund established for the 2021 Notes; (ii) a new Exhibit F to this Loan Agreement setting out the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each such additional Item and this Loan Agreement as supplemented thereby is in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority, and (iv) an opinion of Bond Counsel to the effect that each such additional Item will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

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**ARTICLE V**  
**TERM AND PAYMENTS**

**SECTION 5.01. Loan Term.** This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the 2021 Notes and any and all other Costs with respect to the Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the Public University shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the Public University under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct, general, irrevocable and unconditional obligations of the Public University payable from any source legally available to the Public University.

**SECTION 5.02. Payments.** (A) Loan Payments. The Public University agrees to repay the Loan in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the 2021 Notes. The Public University agrees to pay to the Trustee, in immediately available funds, at the address shown on Exhibit E annexed hereto and incorporated by this reference herein or at such other address as the Public University may be notified in writing pursuant to Section 9.11 of this Loan Agreement, on each Loan Payment Date, an amount in accordance with the schedule of Loan Payments for the 2021 Notes set forth in Exhibit A annexed hereto and incorporated by this reference herein, which will equal the Public University's Loan Payment obligation which is to be applied to the Debt Service payable on the 2021 Notes on the immediately succeeding Interest Payment Date or the Maturity Date, as applicable; provided, however, that with respect to the Loan Payments required to be paid pursuant to this Section 5.02, no Loan Payments shall be payable on any Loan Payment Date to the extent the Debt Service payable on such Loan Payment Date shall be paid or provided for under the Indenture from the proceeds of the 2021 Notes designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Indenture.

(B) Additional Payments. In addition to the Loan Payments required by paragraph (A) of this Section 5.02, the Public University agrees to pay the following additional amounts to the Trustee:

(i) The Public University shall pay to the Trustee, as the same shall become due and payable at any time during the Loan Term, on any Loan Payment Date or thirty (30) days after written demand by the Trustee, such sums as represent Additional Loan Payments including, but not limited to, Authority Administrative Expenses and any other amounts due hereunder, as shall have been submitted by the Authority, in writing, to the Trustee, with a copy to the Public University. Specifically, but not by way of limitation, the Public University agrees to pay to, or upon the order of, the Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Notes being issued by the Authority and (b) on each anniversary of the Issue Date with respect to each Series of Notes until such time as such Series of Notes are no longer Outstanding, the Annual Authority Administrative Fee;

(ii) The Public University shall pay to the Trustee amounts required to be paid by the Public University pursuant to Section 4.11 hereof; and

(iii) In the event the Public University fails to make any Loan Payment or Additional Loan Payment in accordance with the provisions of this Section 5.02 on its due date, the Public University shall pay interest (to the extent permitted by law) on such overdue Loan Payment or Additional Loan Payment at the highest rate per annum borne by the 2021 Notes until paid, which interest shall be paid directly to the Authority.

**SECTION 5.03. Application/Assignment of Payments.** (A) The Loan Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Loan Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Loan Agreement and the Indenture.

(B) The interest, if any, due thereon pursuant to clause (iii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

**SECTION 5.04. [Reserved].**

**SECTION 5.05. Public University Loan Payment Obligations Unconditional.** The obligations of the Public University to make payments required under Section 5.02 hereof and all other payments required under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, shall be absolute and unconditional without counterclaim, recoupment, defense or set-off by reason of any default by any party under any contract for the Facilities Project or by the Authority under this Loan Agreement or under any other agreement, if any, between the Public University and the Authority. Except as may be expressly provided herein or in the Indenture, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence or complete the Facilities Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Facilities Project, the taking of any part of the Facilities Project, frustration of purpose, failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, it being the intention of the parties that the payments required of the Public University hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the Public University to the Authority shall be made without prejudice to the right of the Public University to proceed against the Authority, or the defaulting party, as a result of the foregoing.

Notwithstanding anything in this Loan Agreement to the contrary, the cost and expense of the performance by the Public University of its obligations under this Loan Agreement and the incurrence of any liabilities of the Public University under this Loan Agreement including, without limitation, the obligation for the payment of all Loan Payments and all other amounts required to be paid by the Public University under this Loan Agreement is an unsecured and general obligation of the Public University.

**SECTION 5.06. Prepayments.** To the extent the 2021 Notes are subject to optional redemption under the Indenture, the Public University shall have the option to prepay in full or in part the unpaid balance of the Loan, together with the Redemption Price, if any, on the 2021 Notes, and accrued interest to the redemption date, upon written notice to the Trustee and the Authority of its intention to prepay the Loan, which notice shall comply in all respects with the applicable provisions of the Indenture. The Public University shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the Debt Retirement Fund to be applied to the redemption of the 2021 Notes in accordance with Section 4.10 of the Indenture.

In addition, pursuant to Section 2.05 of the Indenture, the Authority shall have the right to effectuate a refunding of the 2021 Notes through the issuance of Additional Notes, and the Public University shall consent, in a writing addressed to the Authority, to the issuance of such Additional Notes prior thereto.

**SECTION 5.07. Payment on Termination of Loan Agreement.** The Authority agrees that, upon termination of this Loan Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing including, but not limited to, the Annual Authority Administrative Fee, or due to the Fiduciaries for fees and expenses of the same, and so long as no Series of Notes remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the Public University of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Indenture and this Loan Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority, the Public University shall immediately reimburse the Authority therefor.

**SECTION 5.08. Indemnification of Authority.** Both during the Loan Term and thereafter, to the extent permitted by law, the Public University shall indemnify and hold the Authority harmless against, and the Public University shall pay, any and all liability, loss, cost, damage, claim, judgment or expense, of any and all kinds or nature and however arising, (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Public University relating to the Project, or arising out of the use, operation or maintenance of the Facilities Project pursuant to this Loan Agreement; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, arising out of or caused by any untrue or misleading statement of a material fact relating to the Public University in Appendix A of the Official Statement or any omission of any material fact relating to the Public University in Appendix A in the Official Statement. It is mutually agreed by the Public University and the Authority that the Authority, and any of its members, professionals, officers, agents, servants or employees shall not be liable in any event for any action performed or omitted to be performed under this Loan Agreement and that the Public University shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder and under any of the other Loan Documents except for such claims or suits arising as a result of the Authority's gross negligence or willful

misconduct. This provision shall survive the end of the Loan Term and the final maturity of all Notes issued and Outstanding pursuant to the Indenture and any Supplemental Indentures.

The Public University, at its own cost and expense, shall defend any and all such claims, suits and actions which may be brought or asserted against the Authority, their respective members, professionals, officers, agents, servants or employees relating to the performance of its obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Loan Agreement from its obligation to defend the Public University, the Authority, the Trustee and any other insured named in such policy or policies of insurance in connection with claims, suits or actions covered by such policy or policies. The Public University agrees that it shall give the Authority and the Trustee prompt notice, in writing, of the Public University's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

The Authority agrees that it:

(i) shall give the Public University prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;

(ii) shall not, without the prior written consent of the Public University, adjust, settle or compromise any such claim, suit or action; and

(iii) shall permit the Public University to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the Public University shall keep the Authority informed as to the progress of any suit, claim or action, and the Public University shall not reach a final settlement, adjustment or compromise without the Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of its members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the Public University and shall constitute an Additional Loan Payment pursuant to Section 5.02(B)(i) hereof.

**SECTION 5.09. Nature of Obligations of the Authority.** The cost and expense of the performance by the Authority of any of its obligations under this Loan Agreement shall be limited to the availability of the proceeds of the 2021 Notes of the Authority issued for such purposes or from other funds received by the Authority under this Loan Agreement and available for such purposes.

**SECTION 5.10. Financial Reports.** The Public University covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) the adopted budget for the ensuing Fiscal Year; and (ii) such other financial information relating to the ability of the Public University to continue to meet its obligations under this Loan Agreement as may be reasonably requested by the Authority and/or the Trustee.

In addition, no later than sixty (60) days after the receipt and acceptance thereof by the Public University, a detailed audit report for the preceding Fiscal Year, certified by

certified independent public accountants selected by the Public University, presenting the Public University's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year.

**SECTION 5.11. Performance Bonds and Other Financial Guaranty.** To the extent required in connection with the undertaking of the Facilities Project, any performance bond, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.11 shall be made payable to the Public University, the Authority and the Trustee, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.11 shall be paid over to the Trustee for deposit into the 2021 Account in the Proceeds Fund and may be applied toward the Costs of the Facilities Project or as a credit toward the Loan Payment obligations of the Public University hereunder in accordance with the provisions of Section 4.07(b) of the Indenture.

**SECTION 5.12. Net Loan Agreement.** This Loan Agreement shall be deemed and construed to be a "net loan agreement," and the Public University shall pay absolutely net during the Loan Term the Loan Payments and all other payments required under this Loan Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

**SECTION 5.13. Public University Budget Notice; Loan Payments.** The Public University shall cause the officials of the Public University responsible for preparing and presenting to the Board of Trustees of the Public University the budget request for each Fiscal Year to include in each such budget request the Loan Payments scheduled to become due in such Fiscal Year. The Public University shall give the Authority and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of (i) the first reading of any budget that does not include sufficient amounts to pay the Loan Payments due in such Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a Public University budget.

**SECTION 5.14. Secondary Market Disclosure.** The Public University covenants that, as an Obligated Person pursuant to Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof (collectively, the "Rule"), it will execute and deliver a Continuing Disclosure Agreement to be entered into with Digital Assurance Certification, L.L.C., acting as dissemination agent ("Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will set forth the obligations of the Public University to: (i) file budgetary, financial and operating data on an annual basis and notices of the occurrence of certain enumerated events; and (ii) identify any instances in the previous five (5) years in which the Public University failed to comply, in all material respects, with any previous undertakings to provide secondary market disclosure, as required to comply with and in accordance with the provisions of the Rule.

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## ARTICLE VI

### SPECIAL COVENANTS

**SECTION 6.01. Compliance With Laws and Regulations.** The Public University will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements which may be applicable to the Public University, the Facilities Project, or the use or manner of use of the Facilities Project, provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and will not result in a material, adverse detriment to the Facilities Project and provided further that such contest will not result in a forfeiture or reversion of title. The Public University will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities Project provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and provided further that it will not result in a material, adverse detriment to the Facilities Project or result in a forfeiture or reversion of title.

**SECTION 6.02. Covenant Against Waste.** The Public University covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any Item comprising the Facilities Project.

**SECTION 6.03. Right of Inspection.** The Public University covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to inspect the properties comprising the Facilities Project at all reasonable times during regular business hours for the purpose of inspecting same, upon not less than twenty-four (24) hours prior telephonic or written notice from the Authority, except that entry may be made at any time without notice in the event of an emergency.

**SECTION 6.04. Condition of the Facilities Project.** The Authority makes no representations whatsoever in connection with the condition of any Item comprising the Facilities Project, and the Authority shall not be liable for any defects therein.

**SECTION 6.05. Assignment of Loan Agreement by the Public University.** This Loan Agreement may not be assigned in whole or in part by the Public University without the prior written consent of the Authority, which consent shall not be unreasonably withheld, and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that any such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the 2021 Notes. No such disposition or assignment shall relieve the Public University from primary liability for any of its obligations hereunder or under any of the other Loan Documents, and in the event of any such disposition or assignment the Public University shall continue to remain liable for the payments specified in this Loan Agreement and for performance and observance of the other agreements on its part herein and therein provided.

**SECTION 6.06. Sale, Lease or Sublease.** (A) The Public University shall not sell, exchange, transfer, lease or sublease any Item comprising the Facilities Project, or any portion thereof or interest therein, respectively, without (i) the prior written consent of the

Authority, which consent shall not be unreasonably withheld, and (ii) the receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that such sale, exchange, transfer, lease or sublease will not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the 2021 Notes. No sale, exchange, transfer, lease or sublease shall reduce the Public University's obligations hereunder.

(B) Any moneys received by the Public University from the sale, exchange, transfer, lease or sublease of any Item comprising the Facilities Project, or any portion thereof or interest therein, respectively, undertaken in accordance with the provisions hereof shall be deposited in the 2021 Account in the Project Fund held by the Trustee and shall be applied, at the Public University's written direction (with a copy to the Authority and the Trustee), (i) to the costs of other capital improvements designated by the Public University, in writing (with a copy to the Authority and the Trustee) or (ii) as a credit toward the Public University's Loan Payment obligations in accordance with the provisions of Sections 4.07 and 4.09 of the Indenture and used to pay Debt Service on the 2021 Notes.

**SECTION 6.07. Cooperation by the Public University.** The Public University shall give the Authority its full cooperation and assistance in all matters relating to financing of the Costs of the Project.

The Public University agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the Public University and the Project, the operations and finances of the Public University and such other matters necessary to enable the Authority to complete and publish the Official Statement relating to the sale of the 2021 Notes, or to enable the Authority to make any reports required by law or governmental regulations.

**SECTION 6.08. Pledge of the Public University.** The Public University unconditionally and irrevocably pledges its general credit and covenants to exercise its corporate powers for the punctual payment of the principal and redemption premium, if any, of the Loan, the interest on the Loan and all other amounts due under this Loan Agreement according to the terms hereof.

**SECTION 6.09. Compliance With Laws.** The parties to this Loan Agreement agree to comply with all laws (including, but not limited to, Environmental Laws) of the United States and the State or other governmental bodies or entities having jurisdiction over the Public University, the Facilities Project or this Loan Agreement and applicable to the performance of this Loan Agreement.

**SECTION 6.10. Federal Tax Covenants.** The Public University hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations, including the 2021 Notes, to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Obligations. The Public University further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations, including the 2021 Notes, which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Public

University further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Public University further covenants not to cause any Series of Tax-Exempt Obligations, including the 2021 Notes, to become "private activity bonds" (within the meaning of Section 141 of the Code).

**SECTION 6.11. Affirmative Covenants.** So long as the 2021 Notes remain Outstanding, the Public University will, unless the Authority shall otherwise consent in writing:

(a) Preserve and maintain its legal existence, rights, franchises and privileges.

(b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the Public University shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.

(c) Maintain and preserve, or cause to be maintained and preserved, in good working order and condition (the latter to the extent applicable) each Item comprising the Facilities Project or any portion thereof necessary or useful in the proper conduct of its operation.

(d) Maintain and keep in effect or cause to be maintained and kept in effect any approvals, licenses, permits and similar documents necessary in the proper conduct of its operations at or related to each Item comprising the Facilities Project.

(e) Acquire, operate, use and maintain each Item comprising the Facilities Project in accordance with all applicable federal, State, Public University and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to, the Americans with Disabilities Act and applicable Environmental Laws, workers' compensation, sanitary, safety, non-discrimination and zoning laws, ordinances, rules and regulations as shall be binding upon the Public University and which might adversely affect its activities or its financial condition.

(f) Furnish to the Authority and the Trustee, as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant to Section 8.01 hereof) hereunder within the knowledge of the Public University, or each event within the knowledge of the Public University which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized Public University Representative setting forth details of such Event of Default or event(s) and the action which the Public University proposes to take with respect thereto.

**SECTION 6.12. Delivery of Documents.** Concurrently with the delivery of this Loan Agreement and the other Loan Documents and the issuance of the 2021 Notes, the Public University shall cause to be delivered to the Authority each of the following items:

(i) opinions of Public University Counsel in form and substance satisfactory to the Authority;

- (ii) counterparts of this Loan Agreement duly executed by the parties hereto;
- (iii) copy of authorizing resolutions of the Public University authorizing, *inter alia*, this Loan Agreement, certified by an Authorized Public University Representative;
- (iv) the Loan Documents duly executed by the respective parties thereto;
- (v) a copy of the Indenture, duly executed by the parties thereto;
- (vi) a copy of the Continuing Disclosure Agreement duly executed by the parties thereto; and
- (vii) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and implementation of this Loan Agreement and the other Loan Documents, the financing of the Project and the issuance of the 2021 Notes.

**SECTION 6.13. Information.** Whenever reasonably requested by the Authority or the Trustee, the Public University agrees to provide and certify or cause to be provided and certified such information concerning the Facilities Project, the financing of the Project, the Public University and its financial condition, and other topics as the Authority may reasonably request and, further, the Public University assures that the records and accounts of the Public University shall at all reasonable times and upon reasonable notice, be subject to inspection and use of the Authority and the Trustee and their respective agents and attorneys.

**SECTION 6.14. [Reserved].**

**SECTION 6.15. Negative Covenants.** So long as the 2021 Notes remain Outstanding, the Public University shall not, without the written consent of the Authority:

(a) With respect to any Item comprising part of the Facilities Project, enter into any management or operating contract that may adversely affect the tax-exempt status of the 2021 Notes.

(b) Permit any action to occur which would be in direct violation of any and all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or hereinafter enacted, including applicable Environmental Laws, the regulations of the Authority and the regulations of the State Department of Environmental Protection.

The Public University shall use its best efforts to give immediate written notice, in the manner provided in Section 9.11 hereof, to the Authority and the Trustee, of any inquiry, notices of investigation or any similar communication from the State Department of Environmental Protection and the United States Department of Environmental Protection regarding violation of any applicable Environmental Laws.

**SECTION 6.16. Third-Party Beneficiaries.** To the extent this Loan Agreement confers upon or gives or grants to the Noteholders or the Trustee any right, remedy or claim

under or by reason of this Loan Agreement, the Noteholders and the Trustee are hereby explicitly recognized as being third-party beneficiaries hereunder, and may enforce any such right, remedy or claim conferred, given or granted to them hereunder.

**SECTION 6.17. Assignment and Transfer by Authority.** The Public

University hereby expressly acknowledges that the Authority's right, title and interest in, to and under this Loan Agreement have been assigned to the Trustee as security for the 2021 Notes as provided in the Indenture, and that if any Event of Default shall occur, the Trustee or any bond insurer, pursuant to the Indenture, shall be entitled to act hereunder and thereunder in the place and stead of the Authority. The Public University hereby acknowledges the requirements of the Indenture applicable to the 2021 Notes and consents to such assignment and appointment. This Loan Agreement, including, without limitation, the right to receive payments required to be made by the Public University hereunder and to compel or otherwise enforce observance and performance by the Public University of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more successor trustees at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Public University.

The Public University hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the 2021 Notes.

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## **ARTICLE VII**

### **INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION**

**SECTION 7.01. Operation, Maintenance and Repair.** During the Loan Term, the Public University shall be responsible for, and shall pay all costs of, maintaining, preserving and keeping the Items comprising the Facilities Project in good repair, working order and condition and protect the same from deterioration and for making all necessary repairs and replacements thereto in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 7.05 hereof with respect to the Items comprising the Facilities Project. Neither the Authority nor the Trustee shall have any obligation in any of these matters, or for the making of improvements or additions to the Facilities Project.

**SECTION 7.02. Utilities, Taxes and Governmental Charges.** The Public University will pay or cause to be paid any and all charges for the operation and maintenance of the Items comprising the Facilities Project including, but not limited to, as applicable, water, electricity, light, heat or power, sewage, utility service, rendered or supplied upon or in connection with the Items comprising the Facilities Project during the Loan Term.

In addition, the Public University shall (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, State or any municipal government upon the Authority or the Public University with respect to or upon the Items comprising the Facilities Project, or any part thereof, or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Items comprising the Facilities Project; (c) not create or suffer to be created any lien or charge upon the Items comprising the Facilities Project, or any part thereof, or upon the payments in respect thereof pursuant to this Loan Agreement; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Items comprising the Facilities Project, or any part thereof, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder. The Public University shall, to the extent permitted by law, undertake all reasonable action necessary to obtain and preserve the legal exemption of the Items comprising the Facilities Project from the levy of taxes and assessments.

**SECTION 7.03. Additions, Enlargements and Improvements.** The Public University shall, with the prior written approval of the Authority, have the right at any time and from time to time during the Loan Term, at its own cost and expense, to make such enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Items comprising the Facilities Project as the Public University shall deem necessary or desirable in connection with the use of Items comprising the Facilities Project; provided, however, that prior to making any such enlargements, improvements and expansions to, or repairs, reconstruction or restorations of, the Items comprising the Facilities Project, the Public University shall obtain all necessary permits and approvals relating thereto, respectively. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or

restorations shall be promptly paid or discharged so the Items comprising the Facilities Project shall at all times be free of liens for labor and materials supplied thereto.

**SECTION 7.04. Additional Rights of the Public University.** The Authority agrees that the Public University shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such equipment and personality in or upon the Items comprising the Facilities Project as may, in the Public University's judgment, be necessary and advisable for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section 7.04 shall be and remain the personal property of the Public University and shall not become part of the respective Items comprising the Facilities Project, and may be removed, altered or otherwise changed as long as such removal does not cause substantial damage to the respective Items comprising the Facilities Project, upon or before the termination of this Loan Agreement.

**SECTION 7.05. Insurance.** With respect to the Items comprising the Facilities Project, or any portion thereof, as the case may be, the Public University hereby assumes the entire risk of loss thereof from any and every cause whatsoever including, but not limited to, damage to or the destruction of such Items comprising the Facilities Project, or any portion thereof, by fire or any other casualty or the taking of title to or the temporary use of such Items comprising the Facilities Project, or any portion thereof, as the case may be, or the interest of the Public University therein under the exercise of the power of eminent domain by any governmental body *de jure* or *de facto* or by any Person, firm or corporation acting under governmental authority. At its own expense, the Public University shall cause casualty, public liability and all-risk property damage insurance to be carried and continuously maintained, or shall demonstrate (upon request) to the satisfaction of the Authority and the Trustee that adequate self-insurance is provided with respect to the Items comprising the Facilities Project sufficient in the aggregate to cover the full replacement cost of such Items comprising the Facilities Project or to pay the applicable value thereof, and to protect the Authority and the Trustee from liability in all events. Any casualty or property damage insurance policies shall include a standard non-contribution mortgagee clause in favor of and satisfactory to the Trustee and any liability insurance shall be for the benefit of the Trustee and the Authority as named insureds, as their interests may appear. All policies shall require that not less than thirty (30) days written notice of cancellation or material change will be given to the Trustee. The Authority and the Trustee agree to accept allocated value blanket insurance policies, provided however, that any casualty or property damage insurance policies maintained pursuant to this Section 7.05 shall be so written or endorsed as to make losses, if any, with respect to the Items comprising the Facilities Project payable to the Trustee and applied as provided in Sections 7.06 or 7.07 hereof, as applicable. The Public University will provide a copy of a blanket insurance policy or policies to the Authority and the Trustee as evidence of such coverage. If the Public University maintains a program of self-insurance for similar properties, the Public University may insure the Items comprising the Facilities Project in its self-insurance program and provide an adequate insurance fund to pay losses.

The Public University agrees to deliver annually to the Authority and the Trustee not later than December 15 of each year a certificate dated as of December 1 of such year setting forth not less than the following: (i) a schedule of all insurance policies then in effect, including the names of the insurance companies, the risks covered, the periods for which such policies are in effect and the amounts of any coverage and the deductibles, if any; (ii) if certain risks are

covered by self-insurance programs of the Public University, a schedule identifying what risks are so covered; and (iii) a statement that all such insurance policies or self-insurance programs comply with the provisions of this Section 7.05 and are in full force and effect.

The Trustee shall promptly notify the Authority and the Public University if such certificate is not received by December 31 of each year. All insurance policies shall be held by the Public University and shall be open to the inspection of the Trustee and its representatives at all reasonable times, although absent contrary directions from the Authority, no such inspection shall be required of the Trustee. The net Proceeds of the insurance required in this Section 7.05 shall be applied as provided in Sections 7.06 and 7.07 hereof.

**SECTION 7.06. Damage or Destruction.** The Public University agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of any of the Items comprising the Facilities Project (or any portion thereof) resulting from fire or other casualty during the Loan Term. So long as no Event of Default has occurred and is continuing hereunder, the Public University may, with prior written notice to the Authority, repair, reconstruct and restore any of the Items comprising the Facilities Project (or any portion thereof). In such event, the Public University shall proceed forthwith to repair, reconstruct and restore any Items comprising the Facilities Project (or any portion thereof) to substantially the same condition as existed prior to the event causing such damage or destruction. As long as no Event of Default has occurred and is continuing hereunder, any such net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2021 Account in the Project Fund and applied by the Trustee, and used as directed by the Public University, for the payment of the Cost of such repair, reconstruction and restoration, in the same manner and upon the same conditions as set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project. Any Proceeds of insurance remaining following the repair and restoration of any Items comprising the Facilities Project shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture. The Public University shall complete the repair, reconstruction and restoration of any Items comprising the Facilities Project (or any portion thereof), whether or not the Proceeds of insurance received by the Public University are sufficient to pay for the same, if the Public University elects to complete the repair, reconstruction and restoration.

In the event the Public University elects not to repair, reconstruct and restore of any Items comprising the Facilities Project (or any portion thereof) then, in such event, the net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2021 Account in the Debt Service Fund or 2021 Account in the Debt Retirement Fund and applied by the Trustee in accordance with the provisions of the Indenture with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such Proceeds of insurance shall be deposited with the Trustee in the 2021 Account in the Debt Service Fund and shall be applied by the Trustee in accordance with the provisions of Article VII of the Indenture.

**SECTION 7.07. Condemnation.** This Loan Agreement and the interest of the Public University in the Items comprising the Facilities Project (or any portion thereof) which is condemned or taken for any public or quasi-public use shall be terminated when title thereto

vests in the party condemning or taking the same. The Public University hereby irrevocably assigns to the Authority, all right, title and interest of the Public University in and to the net Proceeds of any award, compensation or taking during the Loan Term. Such award shall be initially paid to the Authority for disbursement as hereinafter provided.

So long as no Event of Default has occurred and is continuing hereunder, the Public University shall use the net Proceeds of the award made in connection with such condemnation or taking for replacement of any Items comprising the Facilities Project (or such portion thereof) and the Public University shall proceed forthwith to replace any Items comprising the Facilities Project (or such portion thereof) necessary to complete the Facilities Project or the net Proceeds shall be transferred by the Public University to the Trustee for deposit in the 2021 Account in the Project Fund and shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University for the payment of Debt Service on the 2021 Notes by the transfer of such net Proceeds to the 2021 Account in either the Debt Service Fund or the Debt Retirement Fund, as accordance with the provisions of Section 4.03(b) and (d) of the Indenture, as set forth in a certificate of an Authorized Public University Representative filed with the Trustee at the time of the deposit of the net Proceeds into the 2021 Account in the Project Fund. In the event the Public University elects to replace any Items comprising the Facilities Project (or such portion thereof) as described above, any such net Proceeds shall be deposited in the 2021 Account in the Project Fund for application by the Trustee to pay the Cost of such replacement, in the same manner and upon the same conditions set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project (or such portion thereof). Any Proceeds of an award remaining following replacement of any Items comprising the Facilities Project (or such portion thereof) as provided herein shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture.

If an Event of Default has occurred and is continuing hereunder, any such condemnation award shall be deposited with the Trustee in the 2021 Account in the Debt Service Fund and shall be applied by the Trustee in accordance with Section VII of the Indenture.

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## **ARTICLE VIII**

### **EVENTS OF DEFAULT AND REMEDIES**

**SECTION 8.01. Events of Default.** An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Public University to pay or cause to be paid when due the payments required to be paid under Section 5.02(A) hereof;

(b) Failure by the Public University to pay when due any payments (other than payments under Section 5.02(A) hereof) to be made under this Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee;

(c) [Reserved];

(d) Failure by the Public University to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than as referred to in paragraphs (a) and (b) of this Section 8.01), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Public University by the Authority or the Trustee, unless the notifying party shall agree, in writing, to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Public University within the applicable period and diligently pursued until the default is remedied; and provided further that the failure of the Public University to comply with the provisions of Section 5.14 hereof or the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder;

(e) The entering of an order or decree appointing a receiver with the consent or acquiescence of the Public University or the entering of such order or decree without the acquiescence or consent of the Public University if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(f) A petition is filed by or against the Public University under any federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Public University such petition shall be dismissed within thirty (30) days after filing and such dismissal shall be final and not subject to appeal; or the Public University shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Public University or any of its property shall be appointed by court order or take possession of the Public

University's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of paragraph (d) of this Section 8.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the Public University, the Public University is unable, in whole or in part, to carry out its agreements herein contained, the Public University shall not be deemed to be in default during the continuance of such inability. The Public University agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Public University, and the Public University shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the Public University, unfavorable to the Public University.

If any Event of Default described in this Section 8.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 8.02 hereof, and all amounts then due and payable hereunder are paid by the Public University and the Public University also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the Public University to make a payment of the Annual Authority Administrative Fee, if the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VIII shall not be construed as an Event of Default under the Indenture.

### **SECTION 8.02. Acceleration and Annulment Thereof; Opportunity to Cure Default.**

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, upon written notice to the Public University, declare all amounts payable during the Loan Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Indenture, the 2021 Notes or this Loan Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the Public University and the Public University also

performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then, and in every such case, the Authority, by written notice to the Public University and the Trustee and subject to the provisions of the Indenture, may annul such declaration and its consequences and the Public University, the Authority and the Trustee shall be restored to their respective former positions and rights under the Indenture; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Loan Agreement shall be fully reinstated as if it had never been accelerated.

**SECTION 8.03. Reserved.**

**SECTION 8.04. Remedies.** Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the Public University's obligations hereunder. In addition to the other remedies provided in this Loan Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the Public University of any of the covenants, conditions or provisions of this Loan Agreement, and to a decree compelling specific performance of any such covenants or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the Public University, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon written demand, the Public University shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 8.04 and all such expenses shall be secured by this Loan Agreement.

**SECTION 8.05. Cumulative Rights; No Implied Waiver.** No remedy conferred upon or reserved to the Authority or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority or the Trustee of any breach by the Public University of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**SECTION 8.06. No Duty to Mitigate Damages.** The Authority and the Trustee shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate damages if an Event of Default shall occur hereunder.

**SECTION 8.07. Employment of Attorneys.** If the Authority and the Trustee, in accordance with the terms of the Indenture or this Loan Agreement so long as same remains in full force and effect, or as reasonably determined by said party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the

Public University herein contained, the Public University shall, on demand thereof, pay to the Authority or the Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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## **ARTICLE IX**

### **MISCELLANEOUS**

**SECTION 9.01. Successors and Assigns.** This Loan Agreement shall inure to the benefit of the Public University, the Authority and the Trustee and their respective successors and assigns and shall be binding upon the Public University, the Authority and the Trustee and their respective successors and assigns.

**SECTION 9.02. Amendments, Changes and Modifications.** This Loan Agreement shall not be amended or modified in any manner without the written consent of the Authority and the Public University and in accordance with the Section 6.15 of the Indenture; provided however, the procedures set forth in the Indenture do not have to be complied with prior to the issuance of the 2021 Notes.

**SECTION 9.03. Amounts Remaining Under Indenture.** Upon expiration of the Loan Term, it is agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Indenture for the benefit of the 2021 Notes, after payment in full of the 2021 Notes (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the unpaid or unreimbursed fees, charges and expenses of the Trustee, the Paying Agent and the Authority (including Authority Administrative Expenses) in accordance with the Indenture and this Loan Agreement, shall belong to and be paid to the Public University pursuant to Section 4.17 of the Indenture. Notwithstanding the above, if the 2021 Notes shall have been defeased in accordance with Section 11.01 and Section 11.02 of the Indenture, unclaimed funds remaining under the Indenture for the benefit of the 2021 Notes pursuant to Section 11.02 thereof shall be released to the Public University free and clear of the lien and pledge of the Indenture.

**SECTION 9.04. Counterparts.** This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 9.05. Headings.** The Article and Section headings in this Loan Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

**SECTION 9.06. Non-Waiver.** It is understood and agreed that nothing contained in this Loan Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Loan Agreement.

**SECTION 9.07. Survival of This Loan Agreement.** Notwithstanding anything else to the contrary herein, the provisions of Sections 2.01(M), 5.08 and 6.10 hereof shall survive the expiration of the Loan Term and the final maturity of the 2021 Notes.

**SECTION 9.08. Assignment.** This Loan Agreement may not be assigned by the Public University except as provided in Section 6.05 hereof.

**SECTION 9.09. Severability.** Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the

extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

**SECTION 9.10. Applicable Law.** This Loan Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

**SECTION 9.11. Notices.** All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Loan Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party:

To the Authority at:

The Gloucester County Improvement Authority  
c/o Acting Executive Director  
109 Budd Boulevard  
Woodbury, New Jersey 08096

To the Public University at:

Rowan University  
201 Mullica Hill Road  
Glassboro, New Jersey 08028-1701  
Attention: Senior Vice President for Finance and Chief Financial Officer

To the Trustee at:

TD Bank, National Association  
2059 Springdale Road  
Cherry Hill, New Jersey 08034  
Attention: Corporate Trust Services

or to such other representatives or addresses as the Authority, the Public University or the Trustee may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

IN WITNESS WHEREOF, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the Public University has caused this instrument to be executed in its name by its Vice President for Finance/Chief Financial Officer, and its official seal to be hereunto affixed, all as of the day and year first above written.

**EXHIBIT A**

**LOAN PAYMENT SCHEDULE**

**THE GLOUCESTER COUNTY  
IMPROVEMENT AUTHORITY**

PAUL W. LENKOWSKI, Secretary

By: CHARLES FENTRESS, Chairman

(SEAL)

**ROWAN UNIVERSITY**

By: JOSEPH F. SCULLY, JR.,  
Senior Vice President for Finance and  
Chief Financial Officer

[Signature Page to the Loan and Security Agreement]

**EXHIBIT B**

**FORM OF REQUISITION FOR PAYMENT**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

**LOAN REVENUE NOTES  
(ROWAN UNIVERSITY STUDENT CENTER PROJECT)  
SERIES 2021**

**REQUISITION REF. NO. 20\_\_\_\_**

I, the undersigned \_\_\_\_\_

[INSERT TITLE] of Rowan University ("Public University") DO HEREBY CERTIFY that I am an Authorized Public University Representative duly designated by the Public University to execute and deliver this certificate on behalf of the Public University. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of a Loan and Security Agreement by and between The Gloucester County Improvement Authority ("Authority") and the Public University, dated as of April 1, 2021 ("Loan Agreement"), as follows:

1. This requisition is Requisition No. 20\_\_\_\_ and is to be paid in connection with the portion of the Facilities Project described below:

Facilities Project Item Description:

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2. Payment is to be made from the 2021 Account in the Project Fund.

3. The name and address of the Person, firm or corporation to whom payment is due is:

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[If such payment is to be made to the Public University for a reimbursable advance, insert the name and address of the Person, firm or corporation to whom such advance was made together with proof of payment by the Public University.]

4. The amount to be paid to such Person, firm or corporation named in Paragraph 3 above is \$\_\_\_\_\_.

[Attach description and invoice or billing reference.]

5. Each obligation, item of Cost or expense mentioned herein has been properly incurred, is a proper charge against the 2021 Account in the Project Fund, is an item of Cost of the Facilities Project, is unpaid or unreimbursed, and has not been the basis of any previously paid withdrawal or requisition.

6. The applicable State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the Facilities Project pursuant to which payment is being requested have been complied with. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

7. If such payment is a reimbursement to the Public University for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the Public University, such amount mentioned herein to be paid does not exceed the actual cost thereof to the Public University. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

8. No uncured Event of Default has occurred under the Loan Agreement or the Indenture (as defined in the Loan Agreement) and everything required to be performed by the Public University has been performed.

9. The Public University has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons, firms or corporations named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

10. In the event there are not sufficient funds available to pay the amounts requested under this Requisition from the maturity of any Investment Securities, the Public University hereby instructs that the following Investment Security or Securities should be liquidated for the payment thereof: \_\_\_\_\_ [STRIKE OUT IF NOT APPLICABLE].

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

**ROWAN UNIVERSITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

DATED: \_\_\_\_\_

**EXHIBIT C**

**FORM OF COMPLETION CERTIFICATE**

**THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**  
**COUNTY GUARANTEED LOAN REVENUE NOTES**  
**(ROWAN UNIVERSITY STUDENT CENTER PROJECT)**  
**SERIES 2021**

The Gloucester County Improvement Authority  
109 Budd Boulevard  
Woodbury, New Jersey 08096

TD Bank, National Association, as Trustee  
1006 Astoria Boulevard  
Cherry Hill, New Jersey 08034

Pursuant to Section 4.05 of the Loan and Security Agreement by and between the Authority and the Rowan University, dated as of April 1, 2021 ("Loan Agreement"), the undersigned, an Authorized Public University Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

- (i) the Facilities Project described below were completed or were substantially completed as of \_\_\_\_\_, 20\_\_\_\_;

Facilities Project Item Description:

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- (ii) as of such date referenced in clause (i) above, except for amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project not now due and payable or, if due and payable, not presently paid, the Cost of all labor, services, materials and supplies used in the Facilities Project have been paid, or will be paid from amounts retained by the Trustee, at the Public University's direction, for any Cost of the Facilities Project or any portion thereof not then due or payable, or if due and payable, not then paid;
- (iii) the Public University has paid the amount of \$ \_\_\_\_\_ toward the Costs of the Facilities Project;
- (iv) the Facilities Project are being operated and maintained as an authorized "public facility" under the Act; and
- (v) all permits, including a Certificate of Occupancy, if required or necessary for the utilization of the Facilities Project, have been obtained and are in effect.

Any amount hereafter remaining in the 2021 Account in the Project Fund (except amounts therein sufficient to cover Costs of the Facilities Project not now due and payable or not presently paid and except for interest or other income earned from the investment of the moneys held in the 2021 Account in the Project Fund, if any) shall be transferred by the Trustee and shall be applied by the Trustee in accordance with Sections 4.05 and 4.09 of the Loan Agreement and Section 4.03(d) of the Indenture and shall not be invested at a yield materially higher than the yield on the 2021 Notes as provided in the Indenture.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

**ROWAN UNIVERSITY**

**By: \_\_\_\_\_**  
**Authorized Public University Representative**

Dated: \_\_\_\_\_, 20\_\_\_\_

**EXHIBIT D**

**CERTIFICATE AS TO AUTHORIZED  
PUBLIC UNIVERSITY REPRESENTATIVE**

I, JOSEPH F. SCULLY, JR., the duly appointed and acting Senior Vice President for Finance and Chief Financial Officer of Rowan University ("Public University") DO HEREBY CERTIFY that I am duly authorized under the Loan Agreement (as hereinafter defined) to execute and deliver this certificate on behalf of the Public University. I DO HEREBY FURTHER CERTIFY as follows:

1. The following individual(s) have each been designated as an Authorized Public University Representative in accordance with the provisions of the Loan Agreement and each is duly qualified, empowered and authorized so to act on behalf of the Public University and to deliver documents on behalf of the Public University.

Name

Signature

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Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in a Loan and Security Agreement, dated as of April 1, 2021, by and between The Gloucester County Improvement Authority and the Public University ("Loan Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of April, 2021.

**ROWAN UNIVERSITY**

By:

**JOSEPH F. SCULLY, JR., Senior Vice  
President for Finance and  
Chief Financial Officer**

**EXHIBIT E**

**TRUSTEE INFORMATION**

The name/address/phone number of the Trustee is:

TD Bank, National Association  
2059 Springdale Road  
Cherry Hill, New Jersey 08003  
Attention: Corporate Trust Services  
Catherine M. Alessi, Vice President

Phone number: (856) 685-5105  
Fax number: (856) 533-7136

**EXHIBIT F**

**Facilities Project**

Construction of an approximately 30,000 square foot expansion of the Chamberlain Student Center at the Public University, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto.

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**THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT** ("First Amendment to Loan Agreement"), dated as of February 1, 2024, by and between The Gloucester County Improvement Authority ("Authority"), a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), and Rowan University ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.* (collectively, the "Rowan Act").

**BACKGROUND**

**WHEREAS**, the Authority has been duly created by a resolution of the Board of County Commissioners (formerly the Board of Chosen Freeholders) of the County of Gloucester, New Jersey ("County") as a public body corporate and politic of the State of New Jersey pursuant to and in accordance with the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, and the acts amendatory thereto and supplemental thereto (*N.J.S.A. 40:37A-44 et seq.*) ("Act"); and

**WHEREAS**, Rowan maintains its main campus located in the Borough of Glassboro in the County; and

**WHEREAS**, Rowan has heretofore established a comprehensive facilities and operations master plan, which master plan is periodically updated to reflect the needs for the continued growth of Rowan and the upkeep of Rowan facilities (as updated, the "Master Plan"); and

**WHEREAS**, in connection with the implementation of the Master Plan, Rowan has established its commitment to, among other things, the continued development and upkeep of its educational and/or non-educational facilities within the County; and

**WHEREAS**, in furtherance of its Master Plan, Rowan has heretofore determined to construct an approximately 30,000 square foot expansion of its Chamberlain Student Center, including multipurpose rooms, spaces for student collaboration and information commons, together with the acquisition of all equipment necessary therefore or related thereto (collectively, the "Facilities Project"); and

**WHEREAS**, the Authority is authorized, pursuant to the Act, to provide financing for the provision of "public facilities" (as defined in the Act), which include the Facilities Project, for use by the State of New Jersey ("State"), the County or any beneficiary county, or any municipality in any such county, or any two or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing, including Rowan, for their respective governmental purposes; and

**WHEREAS**, pursuant to *N.J.S.A. 40:37A-55*, the Authority is authorized to extend credit or make loans to any governmental unit or person, including Rowan, for the planning, design, acquisition, construction, equipping and furnishing of all or a part of a "public facility" (as defined in the Act), upon the terms and conditions that the loans be secured by loan and security agreements, mortgages, leases and other instruments, the payments on which shall be sufficient to pay the principal of and interest on any bonds issued for the purpose by the authority, and upon such other terms and conditions as the authority shall deem reasonable; and

**WHEREAS**, pursuant to N.J.S.A. 40:37A-45(p), the Facilities Project acquired, owned or constructed by Rowan constitutes a "public facility" within the meaning of the Act and, as such, the Authority is authorized to provide financial assistance to Rowan for the purpose of financing the costs of the same; and

**WHEREAS**, Rowan and the Authority have also heretofore entered into a Project Development Agreement, dated July 14, 2014, as amended and supplemented to date (as amended and supplemented, the "Project Development Agreement"), pursuant to which the Authority has agreed to provide project development and management assistance to Rowan with respect to various projects including, among other things, the Project Facilities and to finance the costs of the same through the issuance and sale of the Authority's revenue bonds and project notes on behalf of Rowan; and

**WHEREAS**, in furtherance of thereof, on April 7, 2021, the Authority, on behalf of Rowan issued its Loan Revenue Notes (Rowan University Student Center Project), Series 2021 ("2021 Notes") in the principal amount of \$24,500,000, the proceeds of which were loaned to Rowan pursuant to and in accordance with Loan and Security Agreement, dated as of April 1, 2021 ("Original Loan Agreement"), between the Authority and Rowan, for the purpose of temporarily financing the costs of the construction and equipping of the Project Facilities and to pay a portion of the costs of issuance incurred by the Authority and Rowan in connection with the issuance and sale of the 2021 Notes; and

**WHEREAS**, the Authority issued the 2021 Notes pursuant to the Act, a Bond Resolution adopted by the Authority on February 18, 2021, and the Original Indenture; and

**WHEREAS**, pursuant to the terms of the Original Loan Agreement, Rowan is required to make Loan Payments (as defined in the Original Loan Agreement) to the Authority in an amount sufficient to pay the principal of and interest on the 2021 Notes, and certain other costs and expenses of the Authority and the Trustee, which Loan Payments constitute general corporate obligations of Rowan; and

**WHEREAS**, it is the intent of Rowan to permanently finance the costs of the Project Facilities through the issuance of one or more series of tax-exempt or taxable bonds to be sold by the Authority, on behalf of Rowan, to the United States Department of Agriculture ("USDA"), by and through the USDA's Rural Development Program ("USDA Bonds"); and

**WHEREAS**, pursuant to the USDA's program requirements, the USDA Bonds cannot be issued until certain preconditions are met in connection with the construction and completion of the Project Facilities, all as more particularly described in the USDA's Rural Development Program application and commitment (referred to as the "USDA Conditions Precedent"); and

**WHEREAS**, the 2021 Notes mature on March 1, 2024; and

**WHEREAS**, the USDA Conditions Precedent will not be fully met prior to the maturity of the 2021 Notes; and

**WHEREAS**, as a result of the foregoing, Rowan is desirous of refinancing the 2021 Notes on or before the maturity date thereof; and

**WHEREAS**, for such purpose, Rowan has made request to the Authority for the issuance by the Authority, on behalf of Rowan, of an additional series of Loan Revenue Notes in an aggregate principal amount not to exceed \$30,000,000 ("2024 Notes"), the proceeds of which will be used, together with other available funds of Rowan, to: (i) pay the principal of and interest due on the 2021 Notes on the maturity date thereof; (ii) pay capitalized interest on the 2024 Notes; and (iii) pay costs and expenses incurred by the Authority and Rowan in connection with the issuance and sale of the 2024 Notes ; and

**WHEREAS**, the Original Indenture and the Original Loan Agreement contemplate the issuance of additional notes (including the 2024 Notes) for the purposes of refinancing the 2021 Notes (or any other notes issued to refinance the 2021 Notes) upon the satisfaction of certain terms and provisions set forth therein including, but not limited to, the consent of Rowan to issue such Additional Notes and the affirmative pledge of Rowan of its general obligation credit to repay such Additional Notes; and

**WHEREAS**, in furtherance of such requirement, the Board of Trustees of Rowan has, or will prior to the issuance of the 2024 Notes, authorized and approved, among other things, the consent of Rowan for the issuance of the Additional Notes and the pledge of Rowan's general obligation credit to repay such 2024 Notes; and

**WHEREAS**, the Authority has, therefore, agreed to issue the 2024 Notes on behalf of Rowan; and

**WHEREAS**, the 2024 Notes are authorized by and shall be issued pursuant to and in accordance with: (i) the Act; (ii) a Note Resolution adopted by the Authority on December 21, 2023 ("2024 Note Resolution"); and (iii) the Original Indenture, as amended and supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2024 ("First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"); and

**WHEREAS**, the 2024 Notes shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property including: (i) the Loan Payments (subject to the rights of the Authority reserved therein) pursuant to the Original Loan Agreement, which Original Loan Agreement shall be amended and supplemented in accordance with this First Amendment to Loan Agreement (this First Amendment to Loan Agreement, together with the Original Loan Agreement, is referred to herein as the "Loan Agreement"); (ii) certain funds held by the Trustee under the Indenture; and (iii) income derived from the investment of such funds; and

**WHEREAS**, pursuant to the Indenture, the Authority has assigned (with certain reservations) its rights and benefits under the Loan Agreement to the Trustee as security for notes issued thereunder, which shall include the 2024 Notes; and

**WHEREAS**, the Authority desires to amend and supplement the Original Loan Agreement in connection with the issuance of the 2024 Notes as provided herein.

**NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND CERTAIN OTHER CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO MUTUALLY AGREE AS FOLLOWS:**

1. Section 1.01 of the Original Loan Agreement is hereby amended and supplemented by adding certain definitions thereto and by amending and restating certain of the definitions which are set forth therein as follows:

**"Annual Authority Administrative Fee"** shall mean, with respect to: (i) the 2021 Notes, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the 2021 Notes are no longer Outstanding, in the amount of \$0.00; (ii) the 2024 Notes, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the 2024 Notes are no longer Outstanding, in the amount of \$0.00; and (iii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Additional Notes.

**"Bond Resolution"** shall mean: (i) with respect to the 2021 Notes, the resolution adopted by the Authority on February 18, 2021, as the same may be amended, modified and supplemented in accordance with the provisions thereof in connection with the issuance of each Series of Notes, including the 2021 Notes; (ii) with respect to the 2024 Notes, the resolution adopted by the Authority on December 21, 2023, as the same may be amended, modified and supplemented in accordance with the provisions thereof in connection with the issuance of each Series of Notes, including the 2024 Notes; and (iii) with respect to each additional Series of Notes, the resolution of the Authority authorizing, among other things, the issuance of such Additional Notes.

**"First Amendment to Loan Agreement"** means the First Amendment to Loan and Security Agreement, dated as of February 1, 2024, between the Authority and the Public University, which amends and supplements the Original Loan Agreement.

**"First Supplemental Indenture"** means the First Supplemental Trust Indenture, dated as of February 1, 2024, between the Authority and the Trustee, which amends and supplements the Original Indenture.

**"Indenture"** shall mean the Trust Indenture, dated as of April 1, 2021, as amended any supplemented by the First Supplemental Indenture, each between the Authority and the Trustee, as may be further amended, modified and supplemented from time to time in accordance with the provisions thereof.

**"Initial Authority Financing Fee"** shall mean, with respect to: (i) the 2021 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$30,625, in connection with the sale and award of the 2021 Notes; (ii) the 2024 Notes, the amount calculated in accordance with the Authority Fee Schedule - County and Municipal Governmental Applicants, in the amount of \$32,006.25, in connection with the sale and

award of the 2024 Notes; and (iii) any Series of Additional Notes, the amount specified in the applicable Supplemental Indenture authorizing such Series of Notes or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Additional Notes.

**"Interest Payment Date"** shall mean: (i) with respect to the 2021 Notes, each March 1 and September 1 of each year, commencing September 1, 2021 up to and including the Maturity Date; (ii) with respect to the 2024 Notes, the Maturity Date; and (iii) such other date or dates as shall be established by a Supplemental Indenture authorizing a Series of Additional Notes. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

**"Issue Date"** shall mean, with respect to (i) the 2021 Notes, April 7, 2021; (ii) the 2024 Notes, February 29, 2024; and (iii) any Series of Additional Notes, the date on which the Trustee authenticates the Series of Additional Notes and on which such Series of Additional Notes is delivered to the purchasers thereof upon original issuance.

**"Loan"** shall mean: (i) with respect to the 2021 Notes, the loan made by the Authority to the Public University in the aggregate principal amount of \$24,500,000 to originally finance the aggregate Costs of the Project under the terms and conditions set forth in the Original Loan Agreement; (ii) with respect to the 2024 Notes, the Loan made by the Authority to the Public University in the aggregate principal amount of \$25,605,000 to refinance the Costs of the Project under the terms and conditions of the Original Loan Agreement as amended and supplemented by the First Amendment to Loan Agreement; and (iii) with respect to any Additional Notes issued hereunder, the loan made by the Authority to the Public University under the terms and conditions of the Loan Agreement as then amended and supplemented.

**"Loan Agreement"** shall mean the Loan and Security Agreement, dated as of April 1, 2021, as amended by the First Amendment to Loan Agreement, each by and between the Authority and the Public University, together with any further supplements and amendments thereto, relating to the Project to be financed or refinanced with the proceeds of the Loan.

**"Loan Payment"** shall mean: (i) the sum of money representing principal and interest necessary to amortize Debt Service on the 2021 Notes payable by the Public University on each Loan Payment Date, as set forth in Exhibit "A" to the Original Loan Agreement, as described in Section 5.02(A) of the Original Loan Agreement and redemption premium, if any, to the extent required to redeem the 2021 Notes pursuant to Article III of the Indenture; (ii) the sum of money representing principal and interest necessary to amortize Debt Service on the 2024 Notes payable by the Public University on the Loan Payment Date, as set forth in Exhibit "A" to

the First Amendment to Loan Agreement, as described in Section 5.02(A) of the Loan Agreement and redemption premium, if any, to the extent required to redeem the 2024 Notes pursuant to Article III of the Indenture; and (iii) as applicable, Additional Loan Payments payable by the Public University upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

**"Loan Payment Date"** shall mean: (i) with respect to the 2021 Notes, thirty (30) days prior to the applicable Interest Payment Date or Maturity Date, as the case may be; (ii) with respect to the 2024 Notes, thirty (30) days prior to the Maturity Date; and (iii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

**"Maturity Date"** shall mean: (i) with respect to the 2021 Notes, March 1, 2024, on which the principal amount of the 2021 Notes shall be due and payable by the Authority; (ii) with respect to the 2024 Notes, February 27, 2025, on which the principal of and interest on the 2024 Notes shall be due and payable by the Authority; or (iii) such other date as set forth in a Supplemental Indenture authorizing a Series of Additional Notes on which the principal amount of such Series of Notes shall be due and payable. In the event Maturity Date is not a Business Day, all amounts due on such Maturity Date shall be paid on the next succeeding Business Day.

**"Note"** or **"Notes"** shall mean: (i) the 2021 Notes issued pursuant to Sections 2.01, 2.02 and 2.03 of the Indenture to provide funds to originally finance the Project; (ii) the 2024 Notes issued pursuant to Section 2.05 of the Original Indenture and Section 2 of the First Supplemental Indenture; and (iii) each Series of Additional Notes, if any, issued pursuant to Section 2.05 of the Indenture.

**"Official Statement"** means: (i) the Official Statement of the Authority, dated March 24, 2021, prepared in connection with the offering and sale of the 2021 Notes; (ii) the Official Statement of the Authority, dated February 15, 2024, prepared in connection with the offering and sale of the 2024 Notes; and (iii) the Official Statement or Official Statements of the Authority, each dated the date of sale of each Series of Additional Notes, prepared in connection with the offering and sale of each Series of Additional Notes.

**"Original Indenture"** means the Trust Indenture, dated as of April 1, 2021, between the Authority and the Trustee.

**"Original Loan Agreement"** means the Loan and Security Agreement, dated as of April 1, 2021, between the Authority and the Public University.

**"Project"** shall mean, collectively: (i) with respect to the 2021 Notes, (A) the Costs of the Facilities Project, (B) capitalized interest on the 2021 Notes, if any, and (C) the payment of the costs and expenses incurred by

the Authority and the Public University in connection with the issuance and sale of the 2021 Notes; (ii) with respect to the 2024 Notes, (A) the Costs of refinancing the Facilities Project by the payment the principal of the 2021 Notes on the Maturity Date thereof, (B) pay capitalized interest on the 2024 Notes and (C) the payment of the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Notes; and (iii) with respect to each Series of Additional Notes, the purpose described in the applicable Supplemental Indenture authorizing such Additional Notes.

**"Record Date"** shall mean: (i) with respect to the 2021 Notes, the fifteenth day of the calendar month immediately preceding any Interest Payment Date or the Maturity Date; (ii) with respect to the 2024 Notes, the fifteenth date of the calendar month immediately preceding the Maturity Date of the 2024 Notes; or (iii) such other dates as set forth in a Supplemental Indenture authorizing a Series of Additional Notes.

**"Related Document"** means the Indenture, the Loan Agreement, or any other transaction document, including any underlying security agreement related to the 2021 Notes, the 2024 Notes and any Series of Additional Notes.

**"2024 Notes"** means the Authority's Loan Revenue Notes, dated February 29, 2024, issued in the aggregate principal amount of \$25,605,000.

2. Section 3.01 of the Original Loan Agreement is hereby amended to add new subsections (D) through (F) to provide as follows:

(D) The Authority shall issue, sell and deliver the 2024 Notes in accordance with the terms of the Indenture, subject to the execution of one or more bond purchase contracts by and between the Authority and the underwriter for the 2024 Notes.

(E) The Authority agrees to lend to the Public University, and the Public University agrees to borrow from the Authority, the proceeds of the 2024 Notes (including income earned on the investment of 2024 Note proceeds), to be used in the manner prescribed herein and in the Indenture to: (i) refinance the Costs of the Facilities Project by the payment of the principal of the 2021 Notes on the maturity date thereof; (ii) fund capitalized interest on the 2024 Notes; and (iii) pay certain Costs incidental to the issuance and sale of the 2024 Notes.

(F) Upon original issuance of the 2024 Note, proceeds thereof, including accrued interest, if any, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, and capitalized interest on the 2024 Notes for deposit in the 2024 Account in the Debt Service Fund established for the 2024 Notes; (ii) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the 2024 Notes, including the allocable portion of the Initial Authority Financing Fee, for deposit in the 2024 Account of the Operating Fund and paid to the Authority in accordance with Section 2(b)(i) of the First Supplemental Indenture and

Section 4.06(b) of the Original Indenture; and (iii) the amount set forth in Section 2.2(b)(ii) of the First Supplemental Indenture shall be deposited into the 2021 Account in the Debt Service Fund established for the 2021 Notes and paid in accordance with Section 4.09(d) of the Original Indenture."

3. Section 3.02 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

**"SECTION 3.02 Benefit of Noteholders.** This Loan Agreement is executed in part to induce the purchase by others of the 2021 Notes, the 2024 Notes and any Additional Notes issued pursuant to the Indenture and, accordingly, all covenants, agreements and representations on the part of the Public University and the Authority, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the 2021 Notes, the 2024 Notes and any Additional Notes issued pursuant to the Indenture. As such, any of the Funds created under the Indenture (excluding the Rebate Fund) and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the 2021 Notes, the 2024 Notes and any Additional Notes issued pursuant to the Indenture. The Public University, by execution hereof, consents to such assignment for the benefit of the Noteholders to secure repayment of the 2021 Notes, the 2024 Notes and any Additional Notes issued pursuant to the Indenture."

4. Section 5.01 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

**"SECTION 5.01. Loan Term.** This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the 2021 Notes, the 2024 Notes and any other Additional Notes issued pursuant to the Indenture and any and all other Costs with respect to the Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the Public University shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the Public University under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct, general, irrevocable and unconditional obligations of the Public University payable from any source legally available to the Public University."

5. Any references to the 2021 Notes contained in Sections 5.02, 5.06, 5.09, 6.07, 6.10, 6.11, 6.12, 6.15, 6.17, 8.02, 9.03 and 9.07 of the Loan Agreement shall hereby be amended to also include "the 2024 Notes and any Additional Notes issued pursuant to the Indenture" and such Sections shall apply to the 2024 Notes and any Additional Notes issued pursuant to the Indenture as if the 2024 Notes and any Additional Notes issued pursuant to the Indenture were included within such Sections.

6. Section 5.11 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

**"SECTION 5.11. Performance Bonds and Other Financial Guaranty.** To the extent required in connection with the undertaking of the Facilities Project, any performance bond, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.11 shall be made payable to the Public University, the Authority and the Trustee, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.11 shall be paid over to the Trustee for deposit into the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Proceeds Fund, as applicable, and may be applied toward the Costs of the Facilities Project or as a credit toward the Loan Payment obligations of the Public University hereunder in accordance with the provisions of Section 4.07(b) of the Indenture."

7. Subsection (B), Section 6.06 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

(B) Any moneys received by the Public University from the sale, exchange, transfer, lease or sublease of any Item comprising the Facilities Project, or any portion thereof or interest therein, respectively, undertaken in accordance with the provisions hereof shall be deposited in the 2021 Account in the Project Fund held by the Trustee and shall be applied, at the Public University's written direction (with a copy to the Authority and the Trustee), (i) to the costs of other capital improvements designated by the Public University, in writing (with a copy to the Authority and the Trustee) or (ii) as a credit toward the Public University's Loan Payment obligations in accordance with the provisions of Sections 4.07 and 4.09 of the Indenture and used to pay Debt Service on the 2021 Notes (if the 2021 Notes are then outstanding) or the 2024 Notes (if the 2024 Notes are then outstanding)."

8. Section 7.06 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

**"SECTION 7.06. Damage or Destruction.** The Public University agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of any of the Items comprising the Facilities Project (or any portion thereof) resulting from fire or other casualty during the Loan Term. So long as no Event of Default has occurred and is continuing hereunder, the Public University may, with prior written notice to the Authority, repair, reconstruct and restore any of the Items comprising the Facilities Project (or any portion thereof). In such event, the Public University shall proceed forthwith to repair, reconstruct and restore any Items comprising the Facilities Project (or any portion thereof) to substantially the same condition as existed prior to the event causing such damage or destruction. As long as no Event of Default has occurred and is continuing hereunder, any such net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2021 Account in the Project Fund and applied by the Trustee, and used as directed by the Public University, for the payment of the Cost of such repair, reconstruction and restoration, in the same manner and upon the same conditions as set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project. Any Proceeds of insurance remaining following the repair and restoration of any

Items comprising the Facilities Project shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture. The Public University shall complete the repair, reconstruction and restoration of any Items comprising the Facilities Project (or any portion thereof), whether or not the Proceeds of insurance received by the Public University are sufficient to pay for the same, if the Public University elects to complete the repair, reconstruction and restoration.

In the event the Public University elects not to repair, reconstruct and restore of any Items comprising the Facilities Project (or any portion thereof) then, in such event, the net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund or the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Retirement Fund and applied by the Trustee in accordance with the provisions of the Indenture with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such Proceeds of insurance shall be deposited with the Trustee in the 2021 Account (if the 2021 Notes are then outstanding) or the 2024 Account (if the 2024 Notes are then outstanding) in the Debt Service Fund and shall be applied by the Trustee in accordance with the provisions of Article VII of the Indenture."

9. Section 7.07 of the Original Loan Agreement is hereby amended and restated in its entirety to provide as follows:

**"SECTION 7.07. Condemnation.** This Loan Agreement and the interest of the Public University in the Items comprising the Facilities Project (or any portion thereof) which is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same. The Public University hereby irrevocably assigns to the Authority, all right, title and interest of the Public University in and to the net Proceeds of any award, compensation or taking during the Loan Term. Such award shall be initially paid to the Authority for disbursement as hereinafter provided.

So long as no Event of Default has occurred and is continuing hereunder, the Public University shall use the net Proceeds of the award made in connection with such condemnation or taking for replacement of any Items comprising the Facilities Project (or such portion thereof) and the Public University shall proceed forthwith to replace any Items comprising the Facilities Project (or such portion thereof) necessary to complete the Facilities Project or the net Proceeds shall be transferred by the Public University to the Trustee for deposit in the 2021 Account in the Project Fund and shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the Public University for the payment of Debt Service on the 2021 Notes (if the 2021 Notes are then outstanding) or the 2024 Notes (if the 2024 Notes are then outstanding) by the transfer of such net Proceeds to the 2021 Account or the 2024 Account, as the case may be, in either the Debt Service Fund or the Debt Retirement Fund, as accordance with the provisions of Section 4.03(b) and (d) of the Indenture, as set forth in a certificate of an Authorized Public

University Representative filed with the Trustee at the time of the deposit of the net Proceeds into the 2021 Account in the Project Fund. In the event the Public University elects to replace any Items comprising the Facilities Project (or such portion thereof) as described above, any such net Proceeds shall be deposited in the 2021 Account in the Project Fund for application by the Trustee to pay the Cost of such replacement, in the same manner and upon the same conditions set forth in the Indenture for the payment of the Cost of the Items comprising the Facilities Project (or such portion thereof). Any Proceeds of an award remaining following replacement of any Items comprising the Facilities Project (or such portion thereof) as provided herein shall be transferred by the Trustee upon written direction of an Authorized Public University Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the Public University in accordance with the provisions of Section 4.03(b) and (d) of the Indenture.

If an Event of Default has occurred and is continuing hereunder, any such condemnation award shall be deposited with the Trustee in the 2021 Account or the 2024 Account in the Debt Service Fund, as the case may be, and shall be applied by the Trustee in accordance with Section VII of the Indenture."

10. Section 9.11 of the Original Loan Agreement is hereby amended, in part, to provide the updated address of the Trustee to provide as follows:

"To the Trustee at:

TD Bank, National Association  
12000 Horizon Way, 3<sup>rd</sup> Floor  
Mount Laurel, New Jersey 08054  
Attention: Corporate Trust Department"

11. References in the Original Loan Agreement to: (i) "2021 Notes" and "Outstanding Notes" shall include the 2024 Notes; and (ii) "Notes Outstanding", and "applicable Series of Notes" shall include the 2024 Notes, in addition to the 2021 Notes.

12. The following Exhibit attached to the Original Loan Agreement is hereby amended and replaced by the correspondingly designated Exhibit attached to this First Amendment to Loan Agreement in connection with the issuance of the 2024 Notes:

#### **EXHIBIT A – LOAN PAYMENT SCHEDULE**

13. All representations, warranties and covenants made by the Public University and the Authority in Sections 2.01, 2.02, 5.10, 5.14 and Article VI of the Original Loan Agreement, respectively, shall be in full force and effect as if made on the date hereof.

14. Except as amended by this First Amendment to Loan Agreement, all the terms and conditions of the Original Loan Agreement shall remain in full force and effect and shall be applicable with respect to the 2024 Notes.

15. The provisions of this First Amendment to Loan Agreement are hereby declared to be separable. If any Section, phrase or provision shall for any reason be declared to be invalid,

such declarations shall not affect the validity of the remainder of the Sections, phrases or provisions.

16. This First Amendment to Loan Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State without reference to conflict of law provisions.

17. This First Amendment to Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This First Amendment to Loan Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

[Signatures Appear on the Following Page]

**IN WITNESS WHEREOF**, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the Public University has caused this instrument to be executed in its name by its Senior Vice President for Finance and Chief Financial Officer, and its official seal to be hereunto affixed, all as of the day and year first above written.

**THE GLOUCESTER COUNTY  
IMPROVEMENT AUTHORITY**

**Attest:**

---

PAUL W. LENKOWSKI,  
Secretary

By: \_\_\_\_\_  
CHARLES FENTRESS,  
Chairman

**ROWAN UNIVERSITY**

**Attest:**

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By: \_\_\_\_\_  
JOSEPH F. SCULLY, JR.,  
Senior Vice President for Finance and  
Chief Financial Officer

EXHIBIT A

LOAN PAYMENT SCHEDULE

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**APPENDIX D**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## **DISCLOSURE DISSEMINATION AGENT AGREEMENT**

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated February 29, 2024, is executed and delivered by Rowan University (the “Obligated Person”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the 2024 Obligations (hereinafter defined) and in order to assist the Obligated Person in processing certain continuing disclosure with respect to the 2024 Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Person through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer (hereinafter defined), the Obligated Person, or anyone on behalf of the Issuer or Obligated Person, regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

**SECTION 1. Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary

Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be (or voluntarily) submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the 2024 Obligations and the 9-digit CUSIP numbers for all 2024 Obligations to which the document applies.

“Disclosure Representative” means the Senior Vice President for Finance and Chief Financial Officer, or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2024 Obligations (including persons holding 2024 Obligations through nominees, depositories or other intermediaries) or (b) treated as the owner of any 2024 Obligations for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means The Gloucester County Improvement Authority, as issuer of the 2024 Obligations.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the 2024 Obligations, as listed in Exhibit A.

“Trustee” means the institution identified as such in the document under which the 2024 Obligations were issued.

“2024 Obligations” means the collectively, the Issuer’s Loan Revenue Bonds (Rowan University Projects), Series 2024 (“2024 Bonds”), dated the date of delivery thereof, to be issued by the Issuer on behalf of the Public University; and the Issuer’s Loan Revenue Notes (Rowan University Student Center Project), Series 2024, as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, if any, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the first day of the tenth month following the end of each fiscal year of the Obligated Person, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the “Annual Filing Date.” The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an

electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer, that the Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  1. “Principal and interest payment delinquencies;”
  2. “Non-Payment related defaults, if material;”
  3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
  4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”

5. “Substitution of credit or liquidity providers, or their failure to perform;”
  6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024 Obligations, or other material events affecting the tax status of the 2024 Obligations;
  7. “Modifications to rights of securities holders, if material;”
  8. Bond calls, if material, and tender offers;
  9. “Defeasances;”
  10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
  11. “Rating changes;”
  12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
  13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
  15. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and
  16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required”

when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;” and
10. “other event-based disclosures.”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”

8. "consultant reports;" and
  9. "other financial/operating data."
- (viii) provide the Obligated Person and Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Obligated Person, including the financial and statistical information provided in the Official Statement set forth in Appendix A – Information Concerning Rowan University.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the 2024 Obligations, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

#### **SECTION 4. Reporting of Notice Events.**

(a) The occurrence of any of the following events with respect to the 2024 Obligations constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024 Obligations, or other material events affecting the tax status of the 2024 Obligations;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the 2024 Obligations, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or

jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to

disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

**SECTION 5. CUSIP Numbers.** The Obligated Person will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any 2024 Obligations to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such 2024 Obligations.

**SECTION 6. Additional Disclosure Obligations.** The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

**SECTION 7. Voluntary Filing.**

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) hereof to

file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

**SECTION 8. Termination of Reporting Obligation.** The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the 2024 Obligations upon the legal defeasance, prior redemption or payment in full of all of the 2024 Obligations, when the Obligated Person is no longer an obligated person with respect to the 2024 Obligations, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

**SECTION 9. Disclosure Dissemination Agent.** The Obligated Person has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, if any, replace or appoint a successor to the Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the 2024 Obligations. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer and the Obligated Person.

**SECTION 10. Remedies in Event of Default.** In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of

the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the 2024 Obligations or under any other document relating to the 2024 Obligations, and all rights and remedies shall be limited to those expressly stated herein.

#### SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the 2024 Obligations or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES, TO THE EXTENT PERMITTED BY LAW, TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the 2024 Obligations.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**SECTION 12. No Issuer Responsibility.** The Obligated Person and the Disclosure Dissemination Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the 2024 Obligations, with respect to any such reports, notices or disclosures.

**SECTION 13. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the 2024 Obligations and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Person nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer and the Obligated Person. No such amendment shall become effective if the Obligated Person shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

**SECTION 14. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee (if any), the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the 2024 Obligations, and shall create no rights in any other person or entity.

**SECTION 15. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of New Jersey (other than with respect to conflicts of laws).

**SECTION 16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Obligated Person have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ROWAN UNIVERSITY  
as Obligated Person

By: \_\_\_\_\_

Name: Joseph F. Scully, Jr.

Title: Senior Vice President for Finance and  
Chief Financial Officer

## **EXHIBIT A**

### **NAME AND CUSIP NUMBERS OF 2024 OBLIGATIONS**

|                            |   |
|----------------------------|---|
| Name of Issuer             | The Gloucester County Improvement Authority                 |
| Obligated Person(s)        | Rowan University  |
| Name of Bond Issue:        | Loan Revenue Bonds (Rowan University Projects), Series 2024 |
| Date of Issuance:          | February 29, 2024   |
| Date of Official Statement | February 15, 2024   |

CUSIP Number:

37970PLJ9  
37970PLK6  
37970PLL4  
37970PLM2  
37970PLN0  
37970PLP5  
37970PLQ3  
37970PLR1  
37970PLS9  
37970PLT7  
37970PLU4  
37970PLV2  
37970PLW0

|                            |   |
|----------------------------|---|
| Name of Issuer             | The Gloucester County Improvement Authority                               |
| Obligated Person(s)        | Rowan University  |
| Name of Bond Issue:        | Loan Revenue Notes (Rowan University Student Center Project), Series 2024 |
| Date of Issuance:          | February 29, 2024   |
| Date of Official Statement | February 15, 2024   |

CUSIP Number: 37970PLX8

## **EXHIBIT B**

## **NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer The Gloucester County Improvement Authority

Obligated Person: Rowan University

Name(s) of Bond Issue(s): Loan Revenue Bonds (Rowan University Projects), Series 2024 /  
Loan Revenue Notes (Rowan University Student Center Project), Series 2024

Date(s) of Issuance: February 29, 2024

Date(s) of Disclosure February 29, 2024  
Agreement:

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named 2024 Obligations as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_] .

Dated:

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Obligated Person

cc: Rowan University  
The Gloucester County Improvement Authority

## **EXHIBIT C-1** **EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

---

Issuer's Six-Digit CUSIP Number:

---

---

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

---

Number of pages of attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Event (Check One):

- "Principal and interest payment delinquencies;"
- "Non-Payment related defaults, if material;"
- "Unscheduled draws on debt service reserves reflecting financial difficulties;"
- "Unscheduled draws on credit enhancements reflecting financial difficulties;"
- "Substitution of credit or liquidity providers, or their failure to perform;"
- "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
- "Modifications to rights of securities holders, if material;"
- "Bond calls, if material;" Tender Offers;
- "Defeasances;"
- "Release, substitution, or sale of property securing repayment of the securities, if material;"
- "Rating changes;"
- "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- "Merger, consolidation, or acquisition of the obligated person, if material;"
- "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
- "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

\_\_\_\_\_ Failure to provide annual financial information as required

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

---

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of February 29, 2024 between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Gloucester County Improvement Authority    Rowan University

Issuer's Six-Digit CUSIP Number:

---

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

---

Number of pages attached: \_\_\_\_\_

Description of Voluntary Event Disclosure (Check One):

- “amendment to continuing disclosure undertaking;”
- “change in obligated person;”
- “notice to investors pursuant to bond documents;”
- “certain communications from the Internal Revenue Service;”
- “secondary market purchases;”
- “bid for auction rate or other securities;”
- “capital or other financing plan;”
- “litigation/enforcement action;”
- “change of tender agent, remarketing agent, or other on-going party;” and
- “other event-based disclosures.”

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

---

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2024 between the Issuer and DAC.

Issuer's and Obligated Person's Names:

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Issuer's Six-Digit CUSIP Number:

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Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

---

Number of pages attached: \_\_\_\_\_

Description of Voluntary Financial Disclosure (Check One):

- “quarterly/monthly financial information;”
- “change in fiscal year/timing of annual disclosure;”
- “change in accounting standard;”
- “interim/additional financial information/operating data;”
- “budget;”
- “investment/debt/financial policy;”
- “information provided to rating agency, credit/liquidity provider or other third party;”
- “consultant reports;” and
- “other financial/operating data.”

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

---

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

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APPENDIX E-1  
FORM OF OPINION OF BOND COUNSEL FOR THE 2024  
BONDS

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February 29, 2024

The Gloucester County Improvement Authority  
109 Budd Boulevard  
Woodbury, New Jersey

**RE: \$167,325,000 THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY, LOAN REVENUE BONDS (ROWAN UNIVERSITY PROJECTS), SERIES 2024**

---

Members of the Authority:

We have served as Bond Counsel to The Gloucester Improvement Authority ("Authority") in connection with the issuance and sale of \$167,325,000 aggregate principal amount of its Loan Revenue Bonds (Rowan University Projects), Series 2024 ("2024 Bonds").

The 2024 Bonds are issued pursuant to and in accordance with: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereto and supplemental thereto ("Act"); (ii) a Bond Resolution adopted by the Authority on October 19, 2023, as amended and supplemented by a First Supplemental Bond Resolution adopted by the Authority on January 18, 2024 (as amended and supplemented, the "Bond Resolution"); and (iii) a Trust Indenture, dated as of February 1, 2024 ("Indenture"), between the Authority and TD Bank, National Association, as trustee ("Trustee"). Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Indenture, unless the context clearly requires otherwise.

The 2024 Bonds are being issued by the Authority on behalf of Rowan University ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.*

The proceeds of the 2024 Bonds will be loaned to the Public University by the Authority pursuant to a Loan and Security Agreement, dated as of February 1, 2024 ("Loan Agreement"), between the Authority and the Public University, and will thereafter be used by the Public University to finance, together with other available funds of the Public University, the costs of: (i) the development and construction of a new, approximately 180,000 square foot, state-of-the-art school of veterinary medicine, applied science and clinical facility to be located on the campus of the Public University in Glassboro, New Jersey on land owned by the Public University; (ii) various improvements and upgrades to various student housing facilities; (iii) various renovations, improvements and upgrades to Campbell Library; (iv) acquisition and completion of various renovations and improvements to the Glassboro Intermediate School for new administrative and operational space; (v) the development and construction of one or more new buildings, facilities and other capital improvements for the Public University, together with the acquisition and installation

The Gloucester County Improvement Authority

February 29, 2024

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of all equipment necessary therefor or related thereto; (vi) undertake and complete various renovations, improvements, enhancements, repairs and upgrades (including, but not limited to, additions to existing facilities) to and for various buildings and facilities of the Public University including, but not limited to, Rowan Hall, Chamberlin Student Center, Rowan Student Recreation Center, Bunce Hall and Westby Hall, in each case together with the acquisition and installation of all equipment necessary therefore or related thereto; (vii) capital interest on the 2024 Bonds; and (viii) the costs of issuance incurred by the Authority and Public University in connection with the issuance and sale of the 2024 Bonds (collectively, the "Project").

Pursuant to the Loan Agreement, the Authority will lend to the Public University the proceeds of the 2024 Bonds for the purpose of paying the costs of the Project, and the Public University will pay the Authority on each Loan Payment Date an amount equal to the principal of, redemption premium, if any, and interest on the 2024 Bonds and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments").

The 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property. The Revenues consist of: (i) all amounts, including Loan Payments, received by the Authority from the Public University under the Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

The 2024 Bonds are dated February 29, 2024, mature on July 1 in each of the years in the respective principal amounts set opposite each such year in the table below and bear interest at the respective interest rates per annum below, semi-annually on January 1 and July 1, commencing on July 1, 2024, in each year until maturity or earlier redemption.

| <b><u>Due<br/>(July 1)</u></b> | <b><u>Principal<br/>Amount</u></b> | <b><u>Interest<br/>Rate</u></b> | <b><u>Due<br/>(July 1)</u></b> | <b><u>Principal<br/>Amount</u></b> | <b><u>Interest<br/>Rate</u></b> |
|--------------------------------|------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|
| 2034                           | \$3,500,000                        | 5.00%                           | 2041                           | \$6,640,000                        | 5.00%                           |
| 2035                           | 4,955,000                          | 5.00                            | 2042                           | 6,970,000                          | 5.00                            |
| 2036                           | 5,200,000                          | 5.00                            | 2043                           | 7,320,000                          | 5.00                            |
| 2037                           | 5,465,000                          | 5.00                            | 2044                           | 7,685,000                          | 5.00                            |
| 2038                           | 5,735,000                          | 5.00                            | 2049                           | 44,595,000                         | 5.00                            |
| 2039                           | 6,020,000                          | 5.00                            | 2054                           | 56,915,000                         | 5.00                            |
| 2040                           | 6,325,000                          | 5.00                            |                                |                                    |                                 |

The 2024 Bonds are issued in fully registered book-entry-only form of one certificate for each maturity of the 2024 Bonds. The 2024 Bonds are subject to optional and mandatory sinking

The Gloucester County Improvement Authority

February 29, 2024

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fund redemption prior to maturity in the manner and upon the terms and conditions set forth in the Bond Indenture.

As Bond Counsel to the Authority, we have examined the Bond Resolution, the Indenture, the Loan Agreement and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the 2024 Bonds and the execution and delivery of the Indenture and the Loan Agreement, and certain certifications and agreements (including a Joint Tax Certificate, dated the date hereof ("Tax Certificate"), executed by the Authority and the Public University with respect to the 2024 Bonds) intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations, rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen of the 2024 Bonds and have relied on certifications as to the execution and authentication of the 2024 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act, and has full right and lawful authority to issue the 2024 Bonds for the purpose of financing the costs of the Project and to adopt or execute, as appropriate, and deliver and perform its obligations under the Bond Resolution, the Indenture and the Loan Agreement.

2. The Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. The Indenture and the Loan Agreement have each been duly authorized, executed and delivered by the Authority and, assuming: (i) the Indenture has been duly authorized and delivered by the Trustee and constitutes a legal, valid and binding obligation of the Trustee; and (ii) the Loan Agreement has been duly authorized, executed and delivered by the Public University and constitutes a legal, valid and binding obligation of the Public University, the Indenture and the Loan Agreement are each legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

4. The Indenture creates the valid pledge which it purports to create of the Pledged Property, subject only to the application thereof to the purposes and on the conditions permitted in the Indenture.

5. The 2024 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute valid and binding special and limited obligations of the Authority, enforceable in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

6. Interest on the 2024 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2024 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by: (i) the Authority with the covenants contained in the Indenture, the Loan Agreement and the Tax Certificate; and (ii) the Public University with the covenants contained in the Loan Agreement and the Tax Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the 2024 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the Public University to comply with its respective covenants could result in the interest on the 2024 Bonds being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the 2024 Bonds.

Ownership of the 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the 2024 Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the 2024

The Gloucester County Improvement Authority

February 29, 2024

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Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the 2024 Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The 2024 Bonds are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2024 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

7. Interest on the 2024 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We call your attention to the fact that the 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property of the Authority and from any other moneys pledged therefore under the Indenture. The 2024 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the Public University to the extent of the Loan Payments under the Loan Agreement), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the Public University to the extent of the Loan Payments under the Loan Agreement) is pledged for the payment of the principal of, redemption premium, if any, or interest on the 2024 Bonds. Neither the Authority nor the Public University has any taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the 2024 Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

The Gloucester County Improvement Authority

February 29, 2024

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This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX E-2  
FORM OF OPINION OF BOND COUNSEL FOR THE 2024  
NOTES

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February 29, 2024

The Gloucester County Improvement Authority  
109 Budd Boulevard  
Woodbury, New Jersey

**RE: \$25,605,000 THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY, LOAN REVENUE NOTES (ROWAN UNIVERSITY STUDENT CENTER PROJECT), SERIES 2024**

---

Members of the Authority:

We have served as Bond Counsel to The Gloucester Improvement Authority ("Authority") in connection with the issuance and sale of \$25,605,000 principal amount of its Loan Revenue Notes (Rowan University Student Center Project), Series 2024 ("2024 Notes").

The 2024 Notes are issued pursuant to and in accordance with: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a Note Resolution adopted by the Authority on December 21, 2023 ("Note Resolution"); and (iii) a Trust Indenture, dated as of April 1, 2021, as amended and supplemented by a First Supplemental Indenture, dated as of February 1, 2024 (as amended and supplemented to date, the "Indenture"), between the Authority and TD Bank, National Association, as trustee ("Trustee"). Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Indenture, unless the context clearly requires otherwise.

The 2024 Notes are being issued by the Authority on behalf of Rowan University ("Public University"), a public institute of higher education, organized and established pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, *N.J.S.A. 18A:64M-1, et seq.*

The proceeds of the 2024 Notes will be loaned to the Public University pursuant to and in accordance with a Loan and Security Agreement, dated as of April 1, 2021, as amended and supplemented by a First Amendment to Loan and Security Agreement, dated as of February 1, 2024 (as amended and supplemented to date, the "Loan Agreement"), and will, thereafter, be used by the Public University, together with other available funds of the Public University, to finance or pay: (i) on the maturity date thereof, the principal of and interest on the Authority's Loan Revenue Notes (Rowan University Student Center Project), Series 2021 (the "2021 Notes"), which 2021 Notes were issued by the Authority, on behalf of the Public University, to pay a portion of the costs associated with the development and construction of the Public University's Chamberlin Student Center on the Public University's Glassboro Campus; (ii) pay capitalized interest on the 2024 Notes; and (iii) pay the costs and expenses incurred by the Authority and the Public University in connection with the issuance and sale of the 2024 Notes (collectively, the "Project").

Pursuant to the Loan Agreement, the Authority will lend to the Public University the proceeds of the 2024 Notes for the purpose of paying the costs of the Project, and the Public University will pay the Authority on the Loan Payment Date an amount equal to the principal of and interest on the 2024 Notes and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments").

The 2024 Notes are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property. The Revenues consist of: (i) all amounts, including Loan Payments, received by the authority from the Public University under the Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (iv) any other amount received from any other source by the Authority and pledged by the Authority as security for the payment of the 2024 Notes.

The 2024 Notes are dated February 29, 2024, mature on February 27, 2025 and bear interest at the rate of 4.00%.

The 2024 Notes are issued in fully registered book-entry-only form of one certificate. The 2024 Notes are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

As Bond Counsel to the Authority, we have examined the Note Resolution, the Indenture, the Loan Agreement and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the 2024 Notes and the execution and delivery of the Indenture and the Loan Agreement, and certain certifications and agreements (including a Joint Tax Certificate, dated the date hereof ("Tax Certificate"), executed by the Authority and the Public University with respect to the 2024 Notes) intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations, rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen of the 2024 Notes and have relied on certifications as to the execution and authentication of the 2024 Notes. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act, and has full right and lawful authority to issue the 2024 Notes for the purpose of financing the costs of the Project and to adopt or execute, as appropriate, and deliver and perform its obligations under the Note Resolution, the Indenture and the Loan Agreement.

2. The Note Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. The Indenture and the Loan Agreement have each been duly authorized, executed and delivered by the Authority and, assuming: (i) the Indenture has been duly authorized and delivered by the Trustee and constitutes a legal, valid and binding obligation of the Trustee; and (ii) the Loan Agreement has been duly authorized, executed and delivered by the Public University and constitutes a legal, valid and binding obligation of the Public University, the Indenture and the Loan Agreement are each legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

4. The Indenture creates the valid pledge which it purports to create of the Pledged Property, subject only to the application thereof to the purposes and on the conditions permitted in the Note Indenture.

5. The 2024 Notes have been duly authorized, executed, authenticated, issued and delivered and constitute valid and binding special and limited obligations of the Authority, enforceable in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

6. Interest on the 2024 Notes is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the 2024 Notes received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 2024 Notes, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by: (i) the Authority with the covenants contained in the Indenture, the Loan Agreement and the Tax Certificate; and (ii) the Public University with the covenants contained in the Loan Agreement and the Tax Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the 2024 Notes and rebate to the

United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the Public University to comply with its respective covenants could result in the interest on the 2024 Notes being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the 2024 Notes.

Ownership of the 2024 Notes may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the 2024 Notes will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the 2024 Notes is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the 2024 Notes.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The 2024 Notes are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2024 Notes should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

7. Interest on the 2024 Notes and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We call your attention to the fact that the 2024 Notes are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property of the Authority and from any other moneys pledged therefore under the Indenture. The 2024 Notes

The Gloucester County Improvement Authority

February 29, 2024

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do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the Public University to the extent of the Loan Payments under the Loan Agreement), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the Public University to the extent of the Loan Payments under the Loan Agreement) is pledged for the payment of the principal of, redemption premium, if any, or interest on the 2024 Notes. Neither the Authority nor the Public University has any taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the 2024 Notes.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

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**APPENDIX F**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY (2024 BONDS)**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_

Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor  
200 Liberty Street  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY (GLOUCESTER COUNTY, NEW JERSEY) • LOAN REVENUE BONDS (ROWAN UNIVERSITY PROJECTS), SERIES 2024  
AND LOAN REVENUE NOTES (ROWAN UNIVERSITY STUDENT CENTER PROJECT), SERIES 2024



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